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YERBA BUENA GARDENS

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DISPOSITION AND DEVELOPMENT AGREEMENT

BETWEEN

THE REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO

AND

YBG ASSOCIATES, a California limited partnership
of which Olympia & York California Equities
Corp. and Marriott Corporation are the
sole general partners

Dated as of October 15, 1984

Volume: 2 of 8 volumes

Containing: DDA

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Attachment No. 2 - Perimeter Plot Plan
Attachment No. 3 - Legal Description of
Developer Parcels

D REF 346.7946 Y442 1984
v. 2

Yerba Buena Gardens :
disposition and
1984.

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DISPOSITION AND DEVELOPMENT AGREEMENT

BETWEEN

THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO

AND

YBG ASSOCIATES, a California
limited partnership

October __, 1984

WITNESSES

WITNESSES AND CERTIFICATION

WITNESSES

THE REVENUE ACCOUNT OF
THE CITY AND COUNTY OF SAN FRANCISCO

AND

THE ASSOCIATED, A COMPANY
LIMITED LIABILITY

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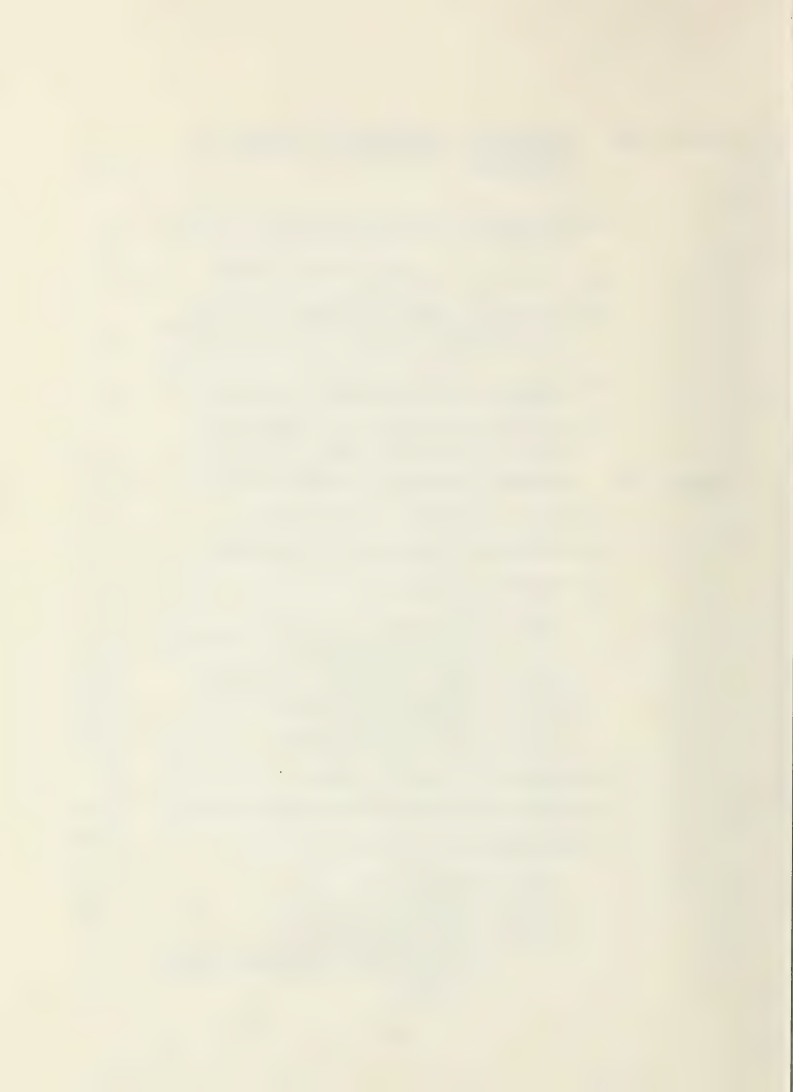
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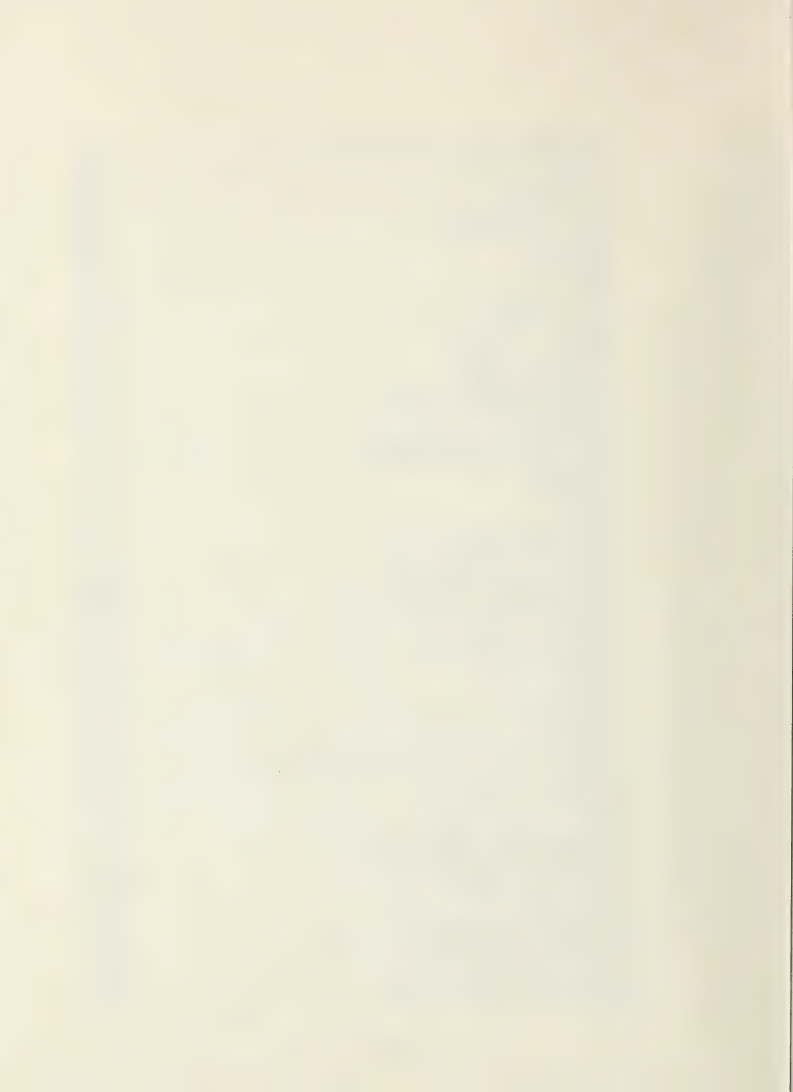
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YERBA BUENA GARDENS

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (sometimes referred to hereinafter as the "Agreement") is entered into as of October 15, 1984, by and between THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, (hereinafter referred to as the "Agency") and YBG ASSOCIATES, a California limited partnership consisting of OLYMPIA & YORK CALIFORNIA EQUITIES CORP. and MARRIOTT CORPORATION as sole general partners (hereinafter referred to as the "Developer"). The Agency and the Developer agree as follows:

RECITALS

A. The purpose of this Agreement is to effectuate the Redevelopment Plan (as hereinafter defined) for a portion of the Yerba Buena Center Redevelopment Project (the "Project") by providing for the lease, sale and redevelopment of that portion of the Project hereinafter defined as the "Site" and called

REPORT

ON THE PROGRESS OF THE

The following report contains a summary of the work done during the year 1900. It is divided into two parts, the first of which deals with the general progress of the work, and the second with the results of the various experiments. The first part is divided into three sections, the first of which deals with the general progress of the work, the second with the results of the various experiments, and the third with the conclusions drawn from the results. The second part is divided into two sections, the first of which deals with the results of the various experiments, and the second with the conclusions drawn from the results.

The following report contains a summary of the work done during the year 1900. It is divided into two parts, the first of which deals with the general progress of the work, and the second with the results of the various experiments. The first part is divided into three sections, the first of which deals with the general progress of the work, the second with the results of the various experiments, and the third with the conclusions drawn from the results. The second part is divided into two sections, the first of which deals with the results of the various experiments, and the second with the conclusions drawn from the results.

"Yerba Buena Gardens" and described on Attachment No. 1 attached hereto and shown on the Perimeter Plot Plan attached hereto as Attachment No. 2. The lease, sale and redevelopment of the Site by the Developer and the Agency pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the best interests of the City and County of San Francisco (the "City"), the health, safety, morals and welfare of its residents, in accord with the public purposes and provisions of applicable federal, state and local laws and requirements, and are in furtherance of, and necessary to, the completion of the Project.

B. This Agreement is designed to achieve the development of the Site by the Developer with the cooperation of, and in conjunction with, the Agency to the extent herein provided in a coordinated and comprehensive manner. As more fully set forth in this Agreement, it is the intent of the parties that the Developer acquire by lease or purchase the Developer Parcels (as hereinafter defined) and develop the Developer's Improvements on the Developer Parcels, which together consist of hotel, office, retail, parking, amusement, recreation, entertainment, residential and open space uses containing concourses, plazas, walkways, landscaping and the like. Amusement, recreation and entertainment uses are sometimes referred to as "ARE" uses herein. It is further intended, if a mutually acceptable agreement between the parties can be reached, that



the Developer will undertake the design of certain Public Improvements on the Agency-Retained Parcels consisting of Gardens area uses. The Agency will cause the development of these Gardens Improvements and Cultural Buildings as provided in this Agreement and the security, operation and maintenance of these Improvements on the Agency-Retained Parcels, and the costs thereof shall be borne between the parties as set forth herein and in certain attachments hereto.

C. The Agency and Developer have entered into this Agreement, and negotiated the specific terms thereof, on the assumption and expectation that CB-1, CB-2 and CB-3 will be jointly developed and operated as a total comprehensive project. The Developer has determined that the economic viability of the parking, ARE and retail uses on CB-2 and CB-3, respectively, depend upon the Gardens and cultural uses on CB-2 and CB-3, respectively. The Developer is not willing to proceed with the retail, ARE and parking uses on CB-2 and the ARE and retail uses on CB-3 unless, to the extent available, the Agency commits funds to the Gardens and cultural uses to assure (together with negotiated Developer obligations set forth in (2) below) their construction, and their subsequent operation, maintenance and security. Accordingly, provision has been made in this Agreement, in the REA and in the Leases pursuant to which the Agency makes such commitments and gives such assurances by: (1) earmarking the purchase price of the CB-1



Office Building Parcel and the CB-1 Residential Parcel and its deposit in a special capital improvement account for construction of the Gardens and Cultural Buildings and the other uses described in this Agreement together with such other funding as may be available to and applied by the Agency from time to time for the completion of the Gardens and Cultural Buildings; (2) obtaining the Developer's obligation to the annual operation, maintenance and security of the Gardens and the Cultural Buildings, through the set-off of rent and office building participation and its deposit in a Separate Account (as defined in Attachment No. 7B hereto) earmarked for the operation, maintenance and security of the Gardens and the Cultural Buildings, to the extent of the annually established budget for the operation, maintenance and security of the Gardens and the Cultural Buildings and the availability of such rent and office building participation for set-off, and (3) providing for the funding, to the extent funds are available, of other Agency project-related activities, including but not limited to a housing assistance fund and project administration costs. The Agency has determined that such arrangements will satisfy and constitute the Agency commitments to finance the construction, operation, maintenance and security of the Gardens and Cultural Buildings; accordingly, this Agreement with respect to such Improvements constitutes a contract, obligation and evidence of indebtedness within the meaning of Section 53511 of the California Government Code.



D. It is intended that the Site shall be developed in Phases as hereinafter set forth.

E. The Agency staff intends to consult with the Developer and consider its comments in the cultural planning process and intends to inform the Developer of its recommendations to the Agency Commission prior to advancing them to the Commission to provide the Developer an opportunity to comment.

F. In order to ensure the integrated development, use, operation and maintenance of portions of the Site, the Agency and the Developer intend to record or cause the recording of a declaration of conditions, covenants, easements, and restrictions in the form of Attachment No. 16 hereto (hereinafter referred to as the "REA") on CB-1. The REA will be recorded with respect to CB-1 simultaneously with and as a condition to the conveyance to the Developer of the CB-1 Office Parcel. Certain other declarations of covenants, conditions, easements and restrictions will also be recorded with respect to portions of the Site as hereinafter set forth.

ARTICLE I GENERAL AGREEMENT; OPTION PAYMENTS

1.01 Option Agreement.

The Agency hereby grants to the Developer the option ("Option") to purchase or lease from the Agency the Developer



Parcels subject to and upon all of the terms and conditions set forth in this Agreement. The term of the Option as to each Phase shall be as set forth in the Schedule of Performance (Attachment No. 6), and the Developer shall exercise the Option as to each Phase by giving the Agency notice of such exercise within the period set forth in the Schedule of Performance; provided that the Developer must exercise the Option with respect to all preceding Phases before exercising the Option with respect to any following Phase, except that the Developer must exercise the Option with respect to Phase 2 and Phase 2R concurrently and the Developer may exercise the Option with respect to Phase 3 without exercise of the Option insofar as the same relates to CB-3 if CB-3 is Delayed or Terminated; provided further, that with the written consent of the Agency, the Developer may exercise the Option with respect to Phase 2 and Phase 2R prior to the exercise of the Option with respect to Phase 1. The Developer shall exercise the Option with respect to each Phase as identified in Section 4.02 hereof other than Phase 2(c) or Phase 3 if the Developer obtains financing for such Phase satisfactory to it on or before the date therefor set forth in the Schedule of Performance. In the event the Developer exercises the Option with respect to a Phase while the Developer is in default hereunder, the following shall occur: If there is then uncured an outstanding



valid notice of default, the Developer must cure said default within the applicable cure time, in which case the exercise of the Option shall be effective as of the date of exercise. If within five (5) days after such exercise the Agency serves on the Developer a valid notice of default, the Developer must cure such default within the applicable cure time, in which case the exercise of the Option shall be effective as of the date of exercise; provided, however, that in the case of the EB-2 Parcels, the period of cure shall not exceed thirty (30) days. If the Developer fails to cure within the applicable time, the exercise of the Option shall be ineffective and the Option shall lapse as to such exercise. If the Agency fails to give such notice of default within said five (5)-day period, then any default in effect at the time of said exercise of the Option shall not operate to inhibit the effectiveness of said exercise.

1.02 Option Payments.

1.02.1 Amount of Option Payments. The Developer shall on the Effective Date deliver to the Agency an Option Payment in the amount of One Million Dollars (\$1,000,000) as consideration for the Agency granting the Option to the Developer. Two Hundred Fifty Thousand Dollars (\$250,000) was earlier delivered to the Agency by the Developer and will be returned to the



Developer, with interest actually earned thereon from the date of deposit to the Effective Date on the Effective Date. Payment of the foregoing returned amount, at the option of the Agency, may be in the form of (i) cash, (ii) cashier's check, (iii) ninety (90) day negotiable certificates of deposit issued by a federal or state bank, or (iv) any combination of such checks, certificates and cash. On or before the date the Building Permit for any portion of the Hotel to be constructed on the CB-1 Hotel Parcel and CB-2 Hotel Parcel issues, the Developer shall pay to the Agency an additional Two Million Dollars (\$2,000,000) as a further Option Payment for the Agency granting the Option to the Developer. On or before the date one (1) year after the date said Building Permit for the Hotel issues, the Developer shall pay to the Agency an additional One Million Dollars (\$1,000,000) as a further Option Payment for the Agency granting the Option to the Developer. Such amounts shall be referred to hereinafter as the "Option Payments." If the Developer fails to make any Option Payment or any part thereof, the Agency shall have the right to terminate this Agreement in accordance with and subject to the limitations of the applicable provisions of Article IX hereof. Upon the Developer's purchase of the CB-1 Office Parcel, Two Million Dollars (\$2,000,000) of the Option Payments, plus interest actually earned and any Imputed Interest accrued on said sum, shall be credited toward the purchase price of such Parcel. Upon the Developer's purchase of the EB-2 Office Parcel, Two Million Dollars (\$2,000,000) of the Option Payments, plus

interest actually earned and any Imputed Interest accrued on said sum, shall be credited toward the purchase price of such Parcel.

1.02.2 Disposition of Option Payments on Termination.

If this Agreement terminates for any reason other than (i) an Event of Default by the Agency, (ii) the failure of the Agency to deliver to the Developer a Developable Parcel, (iii) in the case of the Hotel only, the failure of the Developer to obtain a Building Permit because of a moratorium on building or the unavailability of a sewer hook-up, (iv) the failure of the Developer to obtain financing for the Hotel, or (v) the expiration of a Litigation Force Majeure extension period where such Litigation Force Majeure was the Agency's Fault, any unpaid Option Payments other than Additional Option Payments not then accrued, whether or not otherwise due and payable, shall be due and payable at the time of such termination and the Agency may retain all of the Option Payments, or so much thereof as has not been credited toward the purchase price of a Parcel. If this Agreement terminates as the result of (w) an Event of Default by the Agency, (x) the failure of the Agency to deliver to the Developer a Developable Parcel, (y) in the case of the Hotel only the failure of the Developer to obtain a Building Permit because of a moratorium on building or the unavailability of a sewer hook-up, or (z) the expiration of a Litigation Force Majeure extension period where such Litigation

Force Majeure was the Agency's Fault, all Option Payments then paid not previously credited to the purchase price of a Parcel, together with interest and Imputed Interest accrued thereon, shall be returned to the Developer by the Agency. If this Agreement terminates as the result of the failure to obtain financing for the Hotel, the Agency may retain the initial \$1,000,000 Option Payment, but no further Option Payments shall be due or payable. If the Developer does not elect to purchase the EB-2 Office Parcel on or before July 1, 1988, and the Developer is not in default under this Agreement or any lease between the Agency and the Developer or the REA, and the Agency closes the sale of the EB-2 Office Parcel to any person other than the Developer on or before July 1, 1988 for a purchase price in excess of Thirteen Million Five Hundred Seventy Thousand Dollars (\$13,570,000), the Agency shall refund to the Developer the lesser of (i) the difference, if any, between the purchase price thereof and Thirteen Million Five Hundred Seventy Thousand Dollars (\$13,570,000) and (ii) One Million Dollars (\$1,000,000), and any balance of the Option Payments, together with any interest earned thereon and any Imputed Interest, shall be retained by the Agency.

1.02.3 Form of Option Payments. The Option Payments, at the option of the Developer, may be in the form of (i) cash; (ii) cashier's check; (iii) ninety (90) day negotiable certificates of deposit issued by a federal or state bank; or (iv)

any combination of such checks, certificates and cash. The Option Payments, if cash or cashier's check, shall be deposited in an account of the Agency in a bank or trust company selected by it.

1.02.4 Use by Agency of and Interest on Option Payments.

The Agency may use part or all of the Option Payments for any Agency purpose. All interest not paid to the Developer as part of the return or credit of the Option Payments as herein provided shall become the property of the Agency on the sale of the EB-2 Office Parcel or earlier termination of this Agreement. All portions of the Option Payments used by Agency shall have interest imputed ("Imputed Interest") thereon from time to time on an annual basis commencing with the date of such use by the Agency at a rate equal to the average interest earned on funds invested by the Agency as above provided. Imputed Interest as well as interest which accrues on any portion of the Option Payments shall become a part of the Option Payments.

1.02.5 Refund of Option Payments to Developer When Used by the Agency. If the Agency has used part or all of the Option Payments and is required hereunder to return part or all thereof (together with Imputed Interest thereon) to the Developer, the Agency agrees to include in escrow instructions for the sale and lease of any portions of the Site to other parties (other than the Developer and its permitted successors and

assigns hereunder), instructions for payment to the Developer of the amount owed by the Agency hereunder to the extent proceeds from such sale or lease can be made available for such purpose, provided that if such amount be in dispute the disputed amount shall be held in escrow, to the extent proceeds from such sale or lease can be made available for such purpose, pending resolution of the dispute. The Developer shall be provided a copy of such escrow instructions not later than five (5) days prior to the scheduled closing of any such sale or lease.

1.02.6 Additional Option Payments. In addition to the Option Payments referred to above, the Developer shall pay to the Agency as Additional Option Payments (the "Additional Option Payments") for the CB-1 Hotel Parcel and CB-2 Hotel Parcel the sum of Three Hundred Twenty-Five Thousand Dollars (\$325,000) per annum until the third anniversary of the Effective Date and Five Hundred Thousand Dollars (\$500,000) per annum thereafter which shall accrue from the Effective Date through the date the leasehold of the CB-1 Hotel Parcel and CB-2 Hotel Parcel are conveyed to the Developer (at which time the Developer shall commence paying Holding Rent as defined and provided in the Hotel Lease). All amounts so accrued shall constitute Option Payments hereunder and shall be payable in two payments, the first of which shall be made on the date the

Building Permit is issued for any portion of the Hotel to be constructed on the CB-1 Hotel Parcel and the CB-2 Hotel Parcel in an amount equal to the Additional Option Payments accrued to that date, and the second of which shall be made on the date the leasehold of the CB-1 Hotel Parcel and CB-2 Hotel Parcel are conveyed to the Developer, in an amount equal to the balance of the Additional Option Payments. In the event of the occurrence of an event of Litigation Force Majeure relating to the Hotel, and if a final judgment is entered against the Agency or the Developer in the litigation based upon the Agency's Fault, all further payments pursuant to this paragraph shall be tolled until the termination of the Litigation Force Majeure. If a final judgment is entered against the Agency or the Developer in the litigation based upon the Agency's Fault and this Agreement is terminated, Developer shall be reimbursed by the Agency for all amounts paid pursuant to this Section 1.02.6 to the date of termination. In addition, if the Developer is unable to obtain financing for the Hotel, the Developer shall be reimbursed by the Agency for all amounts paid pursuant to this Section 1.02.6 to the date of termination. Except as expressly provided herein, the Additional Option Payments made pursuant to this Section 1.02.6 shall be non-refundable.

ARTICLE II DISPOSITION OF THE SITE

2.01 Leased Developer Parcels.

If the Developer exercises the Option as permitted hereby as to the appropriate Phase, the Agency agrees to lease to the Developer, and the Developer agrees to lease from the Agency, for development, the following Parcels (the "Leased Developer Parcels"), as the same are described on Attachment No. 3 and as shown on the "Site Plan" attached hereto as Attachment No. 4, at times and in accordance with and subject to all the terms, covenants and conditions of this Agreement:

1. CB-1 Hotel Parcel;
2. CB-2 Hotel Parcel;
3. CB-1 Retail Parcels;
4. CB-2 ARE Parcels;
5. CB-2 Retail Parcels;
6. CB-2 Parking Parcel; and
7. CB-3 ARE/Retail Parcels.

2.01.1 Leases. At the time of the close of the applicable escrow, a separate lease (the "Lease" and collectively the "Leases") shall be entered into by the Agency and the Developer for each of: (i) the CB-1 Hotel Parcel and the CB-2 Hotel Parcel (the "Hotel Lease"), (ii) the CB-1 Retail Parcels, the CB-2 Parking Parcel, the CB-2 ARE Parcels and the CB-2 Retail

Parcels (the "ARE/Retail Lease") and (iii) the CB-3 ARE/Retail
Parcels (the "CB-3 ARE/Retail Lease"). Each Lease shall be in
the form attached hereto as Attachment Nos. 7(A), 7(B), and
7(C), respectively except that the provisions of Attachment
No. 7(C) are subject to the applicable provisions of the Agree-
ment to Lease (Attachment No. 26 hereto). Those certain docu-
ments entitled "Lease Guaranty," whereby the Guarantor guaran-
tees the Tenant's performance under each of the three Leases,
are attached hereto as Attachment Nos. 8(A), 8(B), and 8(C),
respectively. Such Lease Guaranties shall be executed by the
Guarantor simultaneously with execution of each Lease by the
Developer. Promptly upon completion of the Shell of the second
floor of the Jessie St. Substation by the Developer, Developer,
as Landlord, and Agency, as Tenant, shall enter into the Lease,
the form of which is attached hereto as Attachment No. 12.

2.01.2 Severance Leases. In lieu of the ARE/Retail
Lease, at Developer's request made in writing within thirty
(30) days after approval by the Agency of Preliminary Construc-
tion Documents for the CB-1 Retail Parcels, the CB-2 Retail
Parcels, the CB-2 Parking Parcel and the CB-2 ARE Parcels,
Agency and Developer agree to execute and deliver a separate
lease (a "Severance Lease") and Developer shall agree to exe-
cute and deliver a separate Lease Guaranty (a "Severance Lease
Guaranty") for each of (i) the CB-1 Retail Parcels and the CB-2
Retail Parcels (the "Retail Lease"), (ii) the CB-2 Parking Par-
cel (the "Parking Lease") and (iii) the CB-2 ARE Parcels (the

"ARE Lease"), provided such Severance Leases are in form and substance satisfactory to the Agency and the Developer and contain, inter alia, the provisions set forth below. Each Severance Lease shall be in the form of Attachment No.7(B) hereto, with such modifications as are necessary by reason of the Severance Lease covering less than Attachment No.7(B) hereto, including, but not limited to, the provisions set forth below. Upon agreement upon the form of Severance Leases, Attachment No. 7(B) automatically shall be amended to incorporate the agreed upon form of Severance Leases. Upon agreement upon the form of Severance Lease Guaranties, Attachment No. 8(B) automatically shall be amended to incorporate the agreed upon form of Severance Lease Guaranties. Each Severance Lease Guaranty shall be in the form of Attachment No. 8(B) attached hereto with such modifications as are necessary by reason of the Severance Lease Guaranty covering less than Attachment No. 8(B) attached hereto.

Prior to the execution of a Severance Lease, it shall be completed in accordance with the directions contained in this Section. Each Severance Lease shall contain those provisions of Attachment No. 7(B) which are applicable to the Parcels demised under such Severance Lease, including but not limited to those relating to Net Rent and the provisions of Article XVIII of Attachment No. 7(B).

Each Severance Lease shall provide that if there shall be a Default or Event of Default under any Severance Lease or if any Severance Lease shall expire or otherwise terminate, the same shall not result in the expiration or termination of, or otherwise affect, any other Severance Lease then in effect; provided, however, that the ARE Lease shall contain a cross-default provision relating to the CB-3 ARE/Retail Lease and vice versa, in accordance with the appropriate provisions of Attachment No. 7(B) hereof.

The term of each Severance Lease shall commence on the date said Lease is executed and delivered by the parties thereto, and shall end in accordance with the appropriate provisions of Attachment No. 7(B).

Each Severance Lease shall provide a grant by tenant to landlord and by landlord to tenant of such easements for pedestrian and vehicular access, truck servicing, structural support and utilities and other matters over, through and under the Parcel or Parcels covered by the Severance Lease, as may be reasonably required for the use of the Parcels to be demised under the other Severance Leases, the need for which arises by reason of the severance of the Lease.

The Retail Lease and the ARE Lease shall provide that as to CB-2 the tenant under the Retail Lease shall operate, insure and rebuild any areas to be used jointly by both tenants and

shall also contain equitable provisions relating to the costs of securing, operating and maintaining such joint use areas, including, but not limited to the following:

(a) 60% of the Development Costs of the Pedestrian Walkway (as defined in Attachment No. 7(B)) shall be allocated to and paid for by the tenant under the Retail Lease;

(b) 40% of the Development Costs of the Pedestrian Walkway (as defined in Attachment No. 7(B)) shall be allocated to and paid for by the tenant under the ARE Lease;

(c) No more than 35% of the costs of securing, operating and maintaining such joint use areas and no more than 35% of the Developer's 20% share of the cost of securing, operating and maintaining the Gardens shall be allocated to and paid for by the tenant of the ARE Parcels. The remainder of such costs shall be allocated pursuant to the applicable provisions of the REA; and

(d) The Retail Lease shall contain a provision incorporating the fourth sentence of Section 18.09 of Attachment No. 7(B).

The Retail Lease shall also contain a provision that if the Agency terminates the ARE Lease and intends to use the Parcels demised under the ARE Lease for retail commercial uses,

the tenant of the Retail Lease shall have an option similar to the option contained in Section 47.77 of Attachment No. 7(B).

The security deposit to be posted pursuant to the ARE/Retail Lease and the CB-3 ARE/Retail Lease shall be security for the tenant's performance under each and all of the Severance Leases and, whether or not there are Severance Leases, the CB-3 ARE/Retail Lease.

(e) The tenant under the ARE Lease shall have the same rights with respect to the GMOS Budget (as defined in Attachment No. 7(B) hereof) as is given to the owner of the CB-1 Office Building and the tenant under the Hotel Lease in the REA and no greater rights.

2.01.3 Conveyance of the Leasehold and Delivery of Possession. Except as provided hereinbelow, if (i) Developer exercises the Option within the times set forth in the Schedule of Performance as provided herein, (ii) the Developer is not then in default under the terms of this Agreement, any Guaranty or under any Lease entered into pursuant to this Agreement, or the REA, (iii) the conditions to the Agency's obligations hereunder and the conditions to the Developer's obligations hereunder with respect to the particular parcel to be conveyed have been satisfied or expressly waived and (iv) the Developer has paid to the Agency all sums due hereunder at the times when

due, the Agency shall convey to the Developer (and the Developer shall accept such conveyance) the leaseholds of the Leased Developer Parcels as set forth in Section 2.03 hereof on or before the respective times set forth in the Schedule of Performance subject to the following conditions:

(a) With respect to Phase 2(b), the ARE/Retail Lease and the appropriate Lease Guaranty shall be executed unless the Agency and the Developer have agreed upon the form of all of the Severance Leases and Severance Lease Guaranties, in which event the Severance Leases and Severance Lease Guaranties shall be executed;

(b) The Developer shall have certified in writing to the Agency that the Developer is ready, willing and able in accordance with the terms and conditions of this Agreement to commence construction of the Improvements required for such Leased Developer Parcel or Parcels by the times set forth in the Schedule of Performance, and that all conditions precedent under this Agreement to such commencement have been fulfilled or expressly waived by the party in whose favor they run;

(c) On or before the time specified in the Schedule of Performance, the Agency and the Developer shall have executed and deposited with the Title Company the completed Lease (or the Severance Leases) for the Leased Developer Parcel and the

Guarantor shall have executed the Lease Guaranty (or Severance Lease Guaranty) for such Lease. For each Leased Developer Parcel, the Agency shall convey to the Developer the leasehold by delivery of the Lease for such Parcel;

(d) The Agency and the Developer shall have instructed the Title Company to consummate the Escrow as provided in said Section 2.03 hereof;

(e) The Developer shall have furnished certificates of insurance as required by the Lease and all bonds required hereunder;

(f) The Agency shall have certified to the Title Company that the documents required in Section 2.09 have been delivered in satisfactory form and all other conditions to the Agency's obligations with respect to the particular Parcel to be conveyed have been satisfied;

(g) With respect to the conveyance of the leasehold interest in the CB-1 and CB-2 Hotel Parcels, the Developer shall have delivered to the Agency copies of (i) a Technical Services Agreement ("TSA") and a management agreement between the Developer and Marriott Corporation both in form and substance satisfactory to the Agency and containing, inter alia, the terms set forth in the business letter attached hereto as

Attachment No. 10, but excluding the terms relating to the compensation of the Manager, a collateral assignment of both thereof to the Agency and a copy of escrow instructions in the form of Attachment No. 9 hereof, pursuant to which an executed original of each of such agreements has been placed in escrow by the Developer; and (ii) a UCC-1 financing statement, executed by Developer, covering the personal property on the CB-1 and CB-2 Hotel Parcels and covering the management agreement and Technical Services Agreement referred to above, in proper form for filing and recording;

(h) With respect to the conveyance of the leasehold interest in the CB-1 Retail Parcels, CB-2 Parking Parcel, CB-2 ARE Parcels and the CB-2 Retail Parcels, the Developer shall have delivered to the Agency, (i) a sublease between the tenant of the Retail Parcels and Rouse-Yerba Buena, Inc., in form and substance satisfactory to Agency and containing, inter alia, the terms set forth in the business letter attached hereto as Attachment No. 11 and a collateral assignment of such sublease to the Agency; (ii) a sublease or subleases in form and substance satisfactory to the Agency between the tenant of such Parcel and a manager satisfactory to the Agency (subject to the standards set forth in Article 18 of Attachment No. 7(B) hereof), with respect to the operation of the CB-2 Parking Parcel unless the Developer notifies the Agency that it will be the manager of the CB-2 Parking Parcel; and (iii) a UCC-1

financing statement, executed by the tenant of such Parcels, covering the personal property on the CB-1 Retail Parcels, CB-2 Parking Parcel, CB-2 ARE Parcels and CB-2 Retail Parcels and covering the sublease referred to in clause (i) above and the sublease, if any, referred to in clause (ii) above, in proper form for filing and recording. Possession of the CB-2 Parking Parcel shall be delivered prior to the possession of the CB-1 Retail Parcels, CB-2 ARE Parcels, CB-2 Retail Parcels and the CB-3 ARE/Retail Parcels, because the commencement of construction of the Improvements on the CB-2 Parking Parcel will occur prior to the commencement of construction of the Improvements on the CB-1 Retail Parcels, CB-2 ARE Parcels, CB-2 Retail Parcels and CB-3 ARE/Retail Parcels;

(i) With respect to the conveyance of the leasehold interest in the CB-3 ARE/Retail Parcels, the Developer shall have delivered to the Agency a UCC-1 financing statement executed by the tenant of such parcel, covering the personal property on the CB-3 ARE/Retail Parcel in proper form for filing and recording.

(j) If, at the time set forth in the Schedule of Performance for the conveyance of a Leased Developer Parcel, the Developer is in default under the terms of this Agreement, any Guaranty or under any Lease entered into pursuant to this Agreement, or the REA, the Agency shall nevertheless convey to

the Developer (and the Developer shall accept such conveyance) the leasehold of said Leased Developer Parcel upon the cure of such default if and only if such cure is made within the applicable cure periods, in which case the conveyance of the Leasehold Parcel shall occur as soon as the default is cured and the conveyance shall be made subject to the condition set forth in (a)-(i) above.

In connection with approval of the documents referred to in clause (i) of subsection (g) above and clause (i) of subsection (h) above, the Agency will not disapprove any term thereof contained in the business letters referred to in such clauses or which is consistent with the appropriate Lease.

If Rouse fails to execute a sublease in accordance with the provisions of subsection (h) above, the Agency will not terminate this Agreement for such reason without first negotiating in good faith with the Developer for a period not to exceed one hundred twenty (120) days in an attempt to mutually agree upon alternate provisions to this Agreement and the ARE/Retail Lease in order to proceed under this Agreement in light of such failure by Rouse.

The Agency agrees that the Non-disturbance Agreement to be entered into by the Agency and Rouse Yerba Buena, Inc. shall

contain the provisions of paragraph 11 of the business letter attached as Attachment No. 11 hereof.

The CB-2 Parking Parcel, CB-1 Retail Parcels, CB-2 ARE Parcels and the CB-2 Retail Parcels (and the CB-3 Parcel unless the CB-3 Parcel is delayed or this Agreement is terminated with respect thereto as provided in Paragraph 2.01.5 hereof) shall be conveyed simultaneously notwithstanding that possession of such Parcels shall be delivered as provided below. If the CB-3 Parcel is Delayed, the CB-3 ARE/Retail Lease shall be conveyed when the cause of the CB-3 Parcel being Delayed is no longer in effect.

Except as provided in this Section 2.01.3, possession of the CB-1 Hotel Parcel, the CB-2 Hotel Parcel and the CB-2 Parking Parcel shall be delivered to the Developer concurrently with the conveyance of the leasehold for the Parcel in question, and possession of the CB-1 Retail Parcels, CB-2 Retail Parcels, CB-2 ARE Parcels and CB-3 ARE/Retail Parcels shall be delivered when all conditions to the Agency's obligations and conditions to the Developer's obligations as to such Parcels have been met (which satisfaction of conditions will occur after possession of the CB-2 Parking Parcel has been delivered to the Developer). Notwithstanding the foregoing provisions of this Section 2.01.3, the Developer shall be entitled to access and entry upon a Developer Parcel prior to the conveyance of

zoning, if any, necessary to permit the Developer to use the Leased Developer Parcel for the purposes contemplated by this Agreement, the Agency shall have up to ninety (90) days to remove such possession by others, right of possession, lien, encumbrance, covenant, assessment, easement, lease or tax or to obtain such necessary zoning. If the Agency has not removed such possession by others, right of possession, lien, encumbrance, covenant, assessment, lease or tax, or obtained such necessary zoning within such ninety (90) days, the Developer's sole remedy against the Agency shall be to terminate this Agreement in accordance with the applicable provisions of Article IX hereof, in which case the Developer shall receive a return of all Option Payments except any previously credited to the purchase of a Parcel; provided that if such title defect can be removed by bonding and the Agency has not so bonded within such ninety (90)-day period, the Developer may cause such bond to be issued and deduct the premium for such bond from any sums owing by the Developer to the Agency and the Agency agrees to reimburse the Developer thereafter for any sums which Developer is required to pay to the issuer of such bond as the result of the issuance of such bond.

2.01.5 Delay and Termination of CB-3 Real Property. The CB-3 Parcel is presently leased by the Agency to the City, and if the Developer exercises the Option with respect to Phase 2 and Phase 2R, the Agency proposes to sublease the CB-3 Parcel

and sub-sublease a portion thereof to the Developer. It is contemplated that simultaneously herewith the Agency, the Developer and the City will be entering into an Agreement to Lease which is in the form of Attachment No. 26(B) hereto, including a non-disturbance and attornment agreement which is attached thereto as an Exhibit. It is contemplated that the sublease between the City and the Agency will be in the form of Attachment No. 27 hereto, that the sub-sublease between the Agency and Developer will be in the form of Attachment No. 7(C) hereto and that the Agency, the City and the Developer will enter into a Coordination Agreement in the form of Attachment No. 26(A) hereto and an Easement Agreement in the form of Attachment No. 28 hereto all subject to the provisions of the Agreement to Lease. Developer hereby approves the form of such Agreement to Lease and approves such sublease between the Agency and the City, such sub-sublease between the Agency and the Developer, such Coordination Agreement and such Easement Agreement all subject to the provisions of the Agreement to Lease. If (i) an Agreement to Lease substantially in the form of Attachment No. 26(B) attached hereto or otherwise acceptable to the Developer as not being inconsistent with this Agreement is not executed simultaneously herewith or entered into within one (1) year of the date hereof, (ii) an event of Litigation Force Majeure is in existence as to the CB-3 Parcel on July 1, 1988, (iii) on or before July 1, 1988 the Agency has not certified to the Developer that it has committed funds sufficient for the completion of design (if required) of and construction

of the Public Improvements on the CB-3 Parcel as described in the Scope of Development (Attachment No. 5 hereto), (iv) as a result of the Developer's obligations with respect to CB-3 being Delayed as provided for in this Section 2.01.5, the Developer is unable on or before a date one (1) month after the time specified in the Schedule of Performance for approval of Final Construction Documents for the CB-3 Improvements to obtain financing for the CB-3 Improvements at an interest rate no more than two percent (2%) higher than the interest rate of the financing for the CB-2 Parcels and with all other material terms no more onerous to the Developer than the terms of the financing for the CB-2 Parcels, or (v) any Termination of Developer's obligations that may occur under the Agreement to Lease (Attachment No. 26), then, at Developer's option to be exercised by written notice to the Agency within two (2) weeks after the expiration of the applicable period as aforesaid, all of Developer's obligations with respect to CB-3 shall be terminated ("Terminated"). If the Agency has not committed funds sufficient for the completion of design (if required) of any construction of the CB-3 Public Improvements as described in the Scope of Development prior to completion by the Developer of Preliminary Construction Documents relating to the Developer Improvements on the CB-3 Parcel, all times for performance by the Developer thereafter with respect to the CB-3 Parcel shall be delayed ("Delayed") at the request of the Developer by a period of time equal to the number of days between the date such Preliminary Construction Documents are

completed and the date the Agency commits such funds. If CB-3 is Delayed and if obtainable financing for the CB-3 Parcels is at an interest rate not greater than two percent (2%) per annum over the interest rate for the loan on the CB-2 Parcels, but more than one percent (1%) per annum over such rate, the Developer shall have up to an additional nine (9) months to enter into the CB-3 ARE/Retail Lease in order to obtain more favorable financing. If Developer's obligations with respect to the CB-3 Parcel are Terminated, the Developer shall not have a right to be repaid any part or all of the Option Payments, nor shall the fact that such obligations are Delayed or Terminated otherwise affect any other rights and obligations of the parties hereunder as to the balance of the Site.

2.02 Deeded Developer Parcels.

If the Developer exercises the Option as permitted hereby as to the appropriate Phase, the Agency agrees to sell to the Developer and the Developer agrees to purchase from the Agency, for development, the following parcels (the "Deeded Developer Parcels"), as the same are described on Attachment No. 3 and as shown on the Site Plan at the times and in accordance with and subject to all the terms and covenants of this Agreement:

1. The CB-1 Office Parcel,
2. The CB-1 Residential Parcel,

3. The EB-2 Office Parcel (including the Williams Building), and
4. The EB-2 Residential Parcel.

2.02.1 Price of Certain Deeded Developer Parcels.

(A) The purchase price for the CB-1 Office Parcel and CB-1 Residential Parcel shall be as follows, all of which shall be paid in cash at closing except as hereinafter expressly provided to the contrary:

(1) CB-1 Office Parcel

A sum equal to \$32,497,500 as of July 1, 1983 adjusted annually each July 1 thereafter (but never below \$32,497,500) by the percentage adjustment, if any, in the Index since the previous July 1; provided, however, that if any such adjustment is more than 12%, the adjustment that year shall be limited to 12%. In the event that conveyance occurs at a date other than July 1 of any year, the price will be the latest July 1 valuation plus the lesser of: (a) the percentage adjustment, if any, in the Index during the twelve (12) calendar months ending on the July 1 date immediately preceding the con-

veyance date, prorated on an annualized basis for the number of days elapsed from the latest July 1 date to the conveyance date, or (b) 12% prorated on an annualized basis for the number of days elapsed from the latest July 1 date to the conveyance date. Such proration will be based on a 365-day year. In the event that during the period prior to conveyance, a Litigation Force Majeure delay period arises from a Litigation Force Majeure which is the Agency's Fault, the percentage adjustment for an annual period from July 1 to July 1 during which such a Litigation Force Majeure delay period occurs shall be prorated on an annualized basis for the number of days within said annual period exclusive of such Litigation Force Majeure delay period. In the event that the Index is not available on any or all of the July 1 dates, then the Index closest to each of the applicable dates shall be used. In addition, the Developer shall pay participation payments in accordance with the REA.

(2) CB-1 Residential Parcel

(i) A sum equal to \$36,900 per dwelling unit for each of forty (40) dwelling units to be constructed thereon as of July 1, 1983 adjusted

annually each July 1 thereafter (but never below \$36,900) by the percentage adjustment, if any, in the Index since the previous July 1; provided that if any such adjustment is more than 12% the adjustment that year shall be limited to 12%. In the event that conveyance occurs at a date other than July 1 of any year, the price will be the latest July 1 valuation plus the lesser of: (a) the percentage adjustment, if any, in the Index during the twelve (12) calendar months ending on the July 1 date immediately preceding the conveyance date, prorated on an annualized basis for the number of days elapsed from the latest July 1 date to the conveyance date, or (b) 12% prorated on an annualized basis for the number of days elapsed from the latest July 1 date to the conveyance date. Such proration will be based on a 365-day year. In the event that during the period prior to conveyance, a Litigation Force Majeure delay period arises from a Litigation Force Majeure which is the Agency's Fault, the percentage adjustment for an annual period from July 1 to July 1 during which such a Litigation Force Majeure delay period occurs shall be prorated on an annualized basis for the number of days within said annual period exclusive of such Litigation Force Majeure delay

period. In the event that the Index is not available on any or all of the July 1 dates, then the Index closest to each of the applicable dates will be used.

(ii) In addition, the Developer shall pay the difference between (a) thirty percent (30%) of the Developer's Net Profit (as defined herein) from the sale of each of such units and (b) the amount paid in cash by the Developer to the Agency pursuant to (i) above at the time of conveyance of each of such units to the Developer. Such difference, if any, shall be paid at the time of closing of the sale of each unit to the public whether or not such units are sold for all cash.

2.02.2 Provisions Relating to EB-2 Parcels. The Agency shall have the right to seek offers for and actively market the EB-2 Parcels either together or separately for any use permitted by the Redevelopment Plan; subject, however, to the following rights granted to the Developer, to wit:

(1) Right of First Refusal

(i) If, prior to July 1, 1988, the Agency receives a bona fide written offer for either or both of the EB-2 Office

Parcel and the EB-2 Residential Parcel, the Agency staff shall notify the Developer in writing if the Agency has accepted such offer, subject to the right of first refusal contained herein and the subsequent execution of a land disposition agreement with such offeror, together with a copy of such offer. Any acceptance of such offer by the Agency shall be expressly subject to the Developer's right of first refusal contained herein. The offer must include agreement to commence construction of the Improvements on the Parcel(s) on which the offer is made within a specified time, to be not later than twenty-four (24) months from the date of the offer, and must include a proposal for the development of the Parcel(s) which are the subject of the offer, but need not include basic concept drawings. The offer must also include the purchase price and terms of payment.

(ii) The Developer shall have thirty (30) days after receipt of the Agency's notice to indicate in writing its agreement to purchase the Parcel(s) which are the subject of the offer on the terms and conditions set forth in such offer and, if the Developer exercises such right of first refusal, the Agency shall sell such Parcel(s) to the Developer and the Developer shall purchase such Parcel(s), for the purchase price and upon the other terms set forth in the offer.

(iii) If the Developer purchases either or both of the EB-2 Office Parcel or the EB-2 Residential Parcel in accordance with clause (ii) above, the Developer shall be obligated to develop the Parcels in accordance with the third-party offer. If the Developer purchases the EB-2 Office Parcel pursuant to the right of first refusal granted hereby and the third-party offer contains a participation payment with respect to the EB-2 Office Parcel, the Developer shall be obligated to make such participation payments to the Agency.

(iv) If the Developer exercises the right of first refusal as provided herein, the provisions of this Agreement shall be modified to the extent necessary to reflect different terms in such third-party offer from the terms of this Agreement and all other provisions hereof shall remain in full force and effect.

(v) If the Agency receives a bona fide written offer for both the EB-2 Office Parcel and EB-2 Residential Parcel which the Agency staff indicates in writing to the Developer that the Agency has accepted subject to the right of first refusal contained herein and the subsequent execution of a land disposition agreement with such offeror and with respect to which the Developer does not exercise its right of first refusal, the Agency may sell both the EB-2 Office Parcel and the EB-2 Residential Parcel to the party making such written offer,

and the Developer shall have no further rights or obligations hereunder with respect to either of the EB-2 Parcels except as provided in Section 2.02.2(1)(vi) below.

If the Agency receives a bona fide written offer for the EB-2 Residential Parcel which the Agency staff indicates in writing to the Developer that the Agency has accepted subject to the right of first refusal contained herein and the subsequent execution of a land disposition agreement with such offeror and with respect to which the Developer does not exercise its right of first refusal, the Agency may sell the EB-2 Residential Parcel to the party making such written offer, and the Developer's right of first refusal with respect to the EB-2 Office Parcel shall continue.

If the Agency receives a bona fide written offer for the EB-2 Office Parcel which the Agency staff indicates in writing to the Developer that the Agency has accepted subject to the right of first refusal contained herein and the subsequent execution of a land disposition agreement with such offeror and with respect to which the Developer does not exercise its right of first refusal, the Agency may sell the EB-2 Office Parcel to the party making such written offer, and the Developer shall have no further rights or obligations hereunder with respect to either of the EB-2 Parcels except as provided

in Section 2.02.2(1)(vi) below with respect to the EB-2 Office Parcel only.

(vi) If the Developer fails to exercise its right of first refusal with respect to the EB-2 Parcels, and the rights of the third-party offeror whose offer the Agency accepted are terminated because said third-party offeror fails to commence substantial construction of the Improvements on either or both of the EB-2 Parcels within the time specified in said third party's accepted offer, plus an extension period of no greater than one (1) year for any circumstance which does not constitute an event of Ordinary Force Majeure or Litigation Force Majeure, and plus any extension granted for an event of Litigation Force Majeure or Ordinary Force Majeure, the Developer shall have the right to exercise its right of first refusal as set forth in Section 2.02.2(1)(ii) above with respect to any later offeror whose offer is made on or before July 1, 1988; the Developer shall also have the option to purchase such Parcel(s) referred to in (2) below until the later of one hundred twenty (120) days from the termination of the rights of such third party or July 1, 1988.

(2) Option

From the date hereof until the earlier of (i) the termination date of July 1, 1988 and including said date, as

such date may be extended on account of the appraisal process or suspension of the Option as hereinbelow provided or (ii) the date the Agency accepts an offer from a third party for the purchase thereof, the Developer shall have the option to purchase both of the EB-2 Parcels (not previously disposed of), or either of the EB-2 Parcels in the event the Agency chooses to market the EB-2 Parcels separately, for the purchase price set forth below, all of which shall be paid in cash at closing (except for the Participation Payments and payments of a portion of the Net Profit from the EB-2 Residential Parcel hereinafter described). Escrow shall close within thirty (30) days after the Developer's notification to the Agency of the Developer's exercise of the Option to purchase either or both of the EB-2 Parcels, except that the Developer may defer the closing date for the purchase of the EB-2 Parcels for a period not to exceed eighteen (18) months, and, if the Option is exercised as to both EB-2 Parcels, either together or separately if permitted hereby, the closing with respect to the EB-2 Residential Parcel may be deferred for up to nineteen and three-quarters (19-3/4) months, in either case if the Developer causes to be issued to the Agency unconditional, irrevocable letter(s) of credit issued by a bank and in form and substance reasonably satisfactory to Agency or deposits marketable securities maturing not more than eighteen (18) months (or nineteen and three-quarters (19-3/4) months, as applicable) from the date of deposit, which in the case of a letter of

credit shall be in the amount of the purchase price as of the appraisal date and in the case of marketable securities shall be in an amount equal to 133% of the purchase price as of the appraisal date, which may be drawn upon by the Agency or retained by the Agency as its property, as the case may be, on a default by Developer with respect to its obligations relating to EB-2 and the termination of this Agreement by the Agency as to EB-2. The Agency shall have the right to sell any or all marketable securities deposited by the Developer with the Agency at any time the market value thereof, as reasonably determined by the Agency, is 120% or less of the purchase price as of the appraisal date, unless within forty-eight (48) hours after written notice from the Agency, the Developer deposits sufficient additional marketable securities to bring the market value back to 133% of the purchase price as of the appraisal date. Any interest or income on any securities shall be paid to the Developer on receipt by the Agency. If the Developer chooses to defer the closing of the purchase of any EB-2 Parcel, the purchase price thereof shall be redetermined by appraisal as of the date of the closing of the purchase and the Developer shall also pay to the Agency any increase in the purchase price determined by such appraisal. Such appraisal process shall commence four (4) months prior to the scheduled closing date. The Developer shall notify the Agency at the time of the exercise of the Option whether or not it wishes to so defer the closing of the purchase of any EB-2 Parcel. Upon

closing of the sale of any EB-2 Parcel any letter of credit or securities posted with the Agency pursuant to this paragraph shall be returned to the Developer.

If the Agency draws on any such deposit or letter of credit with respect to any EB-2 Parcel, then upon resale of such EB-2 Parcel by the Agency, the Agency will pay to the Developer the lesser of (i) such resale proceeds after deducting the amounts specified in clause (ii) contained in the sixth paragraph of Section 9.03.7 hereof or (ii) the amount so drawn by the Agency. Upon any such draw the Agency shall execute and deliver to the Developer for recordation a deed of trust on the affected EB-2 Parcel in form and substance reasonably satisfactory to the Developer, together with a UCC-1 covering the personal property in which a security interest is granted by the deed of trust being delivered, to secure such repayment obligation. Such deed of trust shall be reconveyed upon payment to the Developer of the required amount or upon the Agency's deposit of any disputed amount into an escrow in form and substance reasonably satisfactory to the Developer.

The purchase price for the EB-2 Parcels shall be as follows:

(a) EB-2 Office Parcel

The purchase price of the EB-2 Office Parcel shall be the fair market value of the EB-2 Office Parcel on the date of sale, as determined by an appraisal pursuant to Section 11.16 hereof made as provided in the first paragraph of Sections 2.02.2(2) and 2.02.2(f) hereof, as the case may be, basing such appraisal on the fair market value of such Parcel utilized for the construction of the office building contemplated by the Scope of Development after taking into account all retail space and any health club contained therein.

If the Developer purchases the EB-2 Office Parcel pursuant to this Option, in addition, the Developer shall pay Participation Payments computed in the same manner as Participation Payments are computed in the REA with respect to the CB-1 Office Parcel.

(b) EB-2 Residential Parcel

The purchase price of the EB-2 Residential Parcel shall be the sum of (a) the fair market value of such Parcel on the date of sale, as determined by an appraisal, pursuant to Section 11.16 hereof made as provided in the first paragraph of Sections 2.02.2(2) and 2.02.2(f) hereof, as the case may be, basing such appraisal on the fair market value of such Parcel utilized for the construction of the number of condominium

units specified in the request for appraisal provided for below after taking into account all retail space and any health club contained therein plus (b) the difference between (i) thirty percent (30%) of the Developer's Net Profit from the sale of each of such condominium units and (ii) the amount paid under (a) above in cash by the Developer to the Agency at the time of conveyance of each of such units to the Developer. The amount, if any, payable under clause (b) above shall be paid at the time of closing of the sale of each unit to the public whether or not such unit is sold for all cash.

(c) If subsequent to the close of sale, as the result of the requirements of the Agency in connection with approval of the Construction Documents, the market value of either the EB-2 Office Parcel or the EB-2 Residential Parcel, as determined by an appraisal conducted in accordance with the provisions of Section 11.16 hereof and called for by the Developer within thirty (30) days after the Construction Documents are approved, is less than the purchase price paid by the Developer, the Agency shall pay the difference to the Developer within thirty (30) days after receipt of the appraisal.

(d) If subsequent to the close of sale, as a result of the approval of Construction Documents for more condominium units, a greater average unit size for the condominium units, or a greater gross building area for the health club and retail space, if any, than proposed by the Developer in the Devel-

oper's request for appraisal, the market value of the EB-2 Residential Parcel, as determined by an appraisal conducted in accordance with the provisions of Section 11.16 hereof and called for by the Agency within thirty (30) days after the design is approved, is more than the purchase price paid by the Developer, the Developer shall pay the difference to the Agency within thirty (30) days after receipt of the appraisal.

(e) Omitted Intentionally.

The following additional provisions shall apply to such Options:

(f) Except with respect to the appraisals referred to above, any request by the Developer for an appraisal must be given to the Agency at least four (4) months prior to the Developer's anticipated closing of the purchase of the Parcel to be appraised. Receipt by the Agency of the Developer's written request shall trigger the appraisal process set forth in Section 11.16 hereof. The Developer shall have thirty (30) days after determination of the applicable option price as provided above to give the Agency written notice of exercise of the Option. If the appraisal is received later than thirty (30) days prior to the date the Option otherwise must be exercised, the Developer shall have thirty (30) days after receipt of the appraisal to exercise the Option. So long as the deadline (as extended) referred to in Section 2.02.2(2) is not passed, the

Option shall not lapse by reason of the failure to give such notice, and such failure shall only indicate that the Developer declines to close on the price so determined. In such case the Developer shall be allowed to exercise the Option later and seek another appraisal at a later date no more than two additional times; provided, however, that if the Agency has obtained an MAI appraisal for the uses contemplated by Section 7.01.2 hereof, in order to market one or both of the EB-2 Parcels the Developer may not require another appraisal for the Parcel(s) so appraised unless the Developer agrees either to exercise the Option on the basis of such appraisal or else allow the Option to lapse. The Developer shall not, however, be bound to exercise the Option by virtue of its giving the written request for the appraisal. If the Developer, following the third appraisal which it requests, fails to timely exercise the Option, the Option shall lapse.

(g) The Option with respect to the EB-2 Parcels or portion thereof affected shall be suspended during the period between (i) the date the Agency receives a written offer for any EB-2 Parcel and (ii) the earlier of (x) the date the Agency rejects such offer and (y) ninety (90) days after the Agency receives such offer. The Agency will give the Developer written notice promptly after receipt of any offer. If the suspension period includes any of the five (5) month period before July 1, 1988, whether or not it extends beyond July 1, 1988, the Developer's time to exercise the Option shall be

extended by a period of time equal to such suspension period but no more than five (5) months.

(h) The request for appraisal with respect to the EB-2 Residential Parcel shall designate a number of residential units and average unit size and gross building area of the health club and retail space, if any, of the proposed residential building, which must be consistent with the Scope of Development.

(i) If the Developer so requests with respect to the EB-2 Office Parcel and/or the EB-2 Residential Parcel, the Agency will review the Developer's Construction Documents therefor in advance of the exercise of the Option in accordance with and subject to all of the provisions of Article IV hereof.

(j) If the Developer exercises the Option with respect to the EB-2 Parcels or the EB-2 Office Parcel or the EB-2 Residential Parcel if permitted hereby, the Agency has not pre-approved the Developer's development plans therefor, and the Developer has not chosen to defer the closing of any purchase of a EB-2 parcel as provided herein, the Developer must commence construction of the Improvements thereon within eighteen (18) months of the date of the closing of the purchase of the EB-2 Parcel in accordance with Construction Documents approved by the Agency in accordance with and subject to all of

the provisions of Article IV hereof. If the Developer fails to commence such construction within eighteen (18) months, the Developer shall, at the option of the Agency, be in default hereunder with respect to such Parcels. If the Agency elects not to declare a default with respect to such Parcels, the Agency may extend this Agreement with respect to such Parcel(s) and the Parcel(s) as to which the Option has been exercised will be reappraised on the date eighteen (18) months after the closing of the purchase of the EB-2 Parcel, and the Developer shall pay to the Agency the difference between the fair market value of such Parcel(s) as of such date, as determined by such appraisal, and the amount previously paid to the Agency for such Parcel(s) within thirty (30) days of receipt of such appraisal. If the Developer fails to pay such difference within such thirty (30) day period or to commence construction within such extended period, the Developer shall be in default hereunder with respect to such Parcels. If the Developer chooses to defer the closing of the purchase of any EB-2 Parcel, construction thereon shall commence no later than thirty (30) days after the closing of such purchase.

(k) If the Developer fails to obtain pre-approval from the Agency of its Construction Documents for such Parcel(s), and the Developer exercises its Option with respect thereto and the Agency fails to approve the Developer's Construction Documents therefor after purchase thereof, the

Developer shall not be reimbursed for the cost of preparation of such plans or for any Option Payments retained by the Agency, or for the purchase price of such Parcel(s) except as provided in Section 9.03.7 hereof.

(1) The Agency will use its best efforts to acquire those air rights over Minna Street in EB-2 so shown on the Perimeter Plot Plan. The failure to obtain such air rights shall not result in the Developer obtaining a refund of any Option Payments, however. If the Agency obtains such air rights, the air rights Parcel will be valued as part of the EB-2 Office Parcel.

If the entire EB-2 Parcel is not purchased by the Developer on or before the last date provided herein for such purchase, pursuant either to the Developer's right of first refusal or Option, the Agency shall have the right to dispose of either or both of the EB-2 Parcels not previously disposed of in any manner the Agency deems fit, free of any right of first refusal or Option of the Developer and this Agreement shall terminate as to any EB-2 Parcel not so purchased by the Developer.

The Agency may wish a Museum or Theater to be constructed on a portion of the EB-2 Parcels. In the event any offer received by the Agency with respect to the EB-2 Parcels

contains proposals concerning such Museum or Theater, such proposals shall be part of the offer which the Developer must agree to in order to exercise its right of first refusal. In connection with the Option relating to the EB-2 Parcels the Agency shall notify the Developer within twelve (12) months of the Effective Date if it wishes the Museum or Theater to be built. If the Agency so notifies the Developer, the Developer shall thereupon negotiate with the Museum or Theater entity designated by the Developer to reach mutual agreement for the design and construction of the Museum or Theater at the cost of the Museum or Theater entity. If, after six months good faith negotiations no such agreement is reached, which such agreement must also be consistent with this Agreement, including Article IV hereof, the Developer shall be relieved of all further obligations with respect to a Museum or Theater upon exercise of the Option with respect to the EB-2 Parcels. Any dispute as to whether the Developer has breached its obligation of good faith negotiation shall be subject to arbitration in accordance with the provisions of this Agreement relating to arbitration. If such agreement relating to a Museum or Theater is reached, the appraisal of the EB-2 Office Parcel shall take into account such Museum or Theater and the purchase price for the EB-2 Office Parcel shall be based upon the market value of the EB-2 Office Parcel with a Museum or a Theater (but excluding the Museum or the Theater space).

2.02.3 Conveyance of Title to Deeded Developer Parcels and Delivery of Possession. Provided that (i) Developer exercises the Option within the times set forth in the Schedule of Performance; (ii) the Developer is not then in default under the terms of this Agreement, any Guaranty or under any Lease entered into pursuant to this Agreement, or the REA; (iii) the conditions to the Agency's obligations and the conditions to the Developer's obligations with respect to a particular Parcel to be conveyed have been satisfied or expressly waived; and (iv) the Developer has paid to the Agency all sums due hereunder at the times when due, the Agency shall convey to the Developer (and the Developer shall accept such conveyance) the fee interest in the Deeded Developer Parcels as set forth in Section 2.03 hereof on or before the respective times set forth in the Schedule of Performance subject to the following:

(a) The Developer shall have certified in writing to the Agency that the Developer is ready, willing and able in accordance with the terms and conditions of this Agreement to commence construction of the Improvements required for such Deeded Developer Parcel by the times set forth in the Schedule of Performance and that all conditions precedent under this Agreement to such commencement have been fulfilled and, in the case of the conveyance of the CB-1 Office Parcel, the Developer shall have certified in writing to the Agency that the Developer is ready, willing and able in accordance with the

terms and conditions of this Agreement to commence construction of the Improvements on the CB-1 Retail Parcels, the CB-2 Parking Parcels, the CB-2 ARE Parcels and CB-2 Retail Parcels and CB-3 ARE/Retail Parcel (unless Delayed or Terminated) as well as on the CB-1 Office Parcel;

(b) On or before the time specified in the Schedule of Performance, the Agency and the Developer shall execute and deposit with the Title Company the Grant Deed for the Deeded Developer Parcel to be conveyed in the form of Attachments No. 14(A), 14(B), 14(C) or 14(D) hereto, as applicable; and the Developer shall execute and deposit with the Title Company the Quitclaim Deed in the form of Attachments No. 15(A), 15(B), 15(C) or 15(D) hereto, as applicable and escrow instructions in the form of Attachment No. 15(E) hereto.

(c) The Agency and the Developer shall have instructed the Title Company to consummate the Escrow as provided in Section 2.03 hereof;

(d) With respect to the conveyance by the Agency to the Developer of the CB-1 Office Parcel, it shall also be a condition precedent to the Agency's obligation to so convey that (i) the Developer shall have furnished to the Agency evidence reasonably satisfactory to the Agency that the Developer has the necessary Equity, which together with the loan proceeds

from the loan contemplated by the commitment referred to in Section 2.09, are adequate to complete the Improvements on the CB-1 Retail Parcels, CB-2 Parking Parcel, CB-2 ARE Parcels, CB-2 Retail Parcels and CB-3 ARE/Retail Parcel (unless Delayed or Terminated) and (ii) the Agency shall have received all documents referred to in Section 2.01.3(h) hereof in the required form;

(e) The Developer shall have furnished certificates of insurance as required hereunder and all bonds as required hereunder;

(f) The Agency shall have certified to the Title Company that the documents required in Section 2.09 have been delivered in satisfactory form and all other conditions for conveyance with respect to the Parcel to be conveyed have been satisfied;

(g) Prior to the conveyance by the Agency to the Developer of the CB-1 Office Parcel the parties shall have executed the REA in the form attached hereto as Attachment No. 16 and shall have instructed the Title Company to record the REA immediately after recordation of the Grant Deed to the CB-1 Office Parcel;

(h) Prior to the conveyance by the Agency to the Developer of the CB-1 Residential Parcel, the parties shall have

executed the Retail/Residential REA in the form attached hereto as Attachment No. 17 and shall have instructed the Title Company to record such Retail/Residential REA immediately after recordation of the Grant Deed to the CB-1 Residential Parcel;

(i) Prior to the conveyance by the Agency to the Developer of either of the EB-2 Parcels the parties shall have executed an REA (the "EB-2 REA") encumbering the Parcels to be conveyed containing provisions:

(A) Similar to the provisions of Articles IV, VI and XII of the REA (Attachment No. 16);

(B) Restricting the uses to which such Parcels may be put to the uses permitted in this Agreement; and

(C) If the Museum or Theater is to be built, as provided herein, and subject to Developer's reasonable approval, similar to the appropriate provisions of the Retail/Residential REA (Attachment No. 17), (and shall have instructed the Title Company to record the EB-2 REA immediately after recordation of the Grant Deed to either of the EB-2 Parcels); and

(j) At the time of conveyance of the CB-1 Residential Parcel and EB-2 Residential Parcel, the Developer shall have

delivered to a title company reasonably satisfactory to the Agency irrevocable escrow instructions whereby the Developer agrees to use such title company to handle the escrows of the sales of the individual condominiums in such Parcels and instructs such title company to withhold and pay to the Agency its share of the sales proceeds from the sales of such condominiums in accordance with this Agreement.

For each Deeded Developer Parcel, the Agency shall convey to the Developer the fee title by delivery of the Grant Deed for such Parcel to the Title Company.

Provided all conditions thereto have been satisfied, the Agency agrees that the Deeded Developer Parcels shall be conveyed within the time set forth in the Schedule of Performance, and possession of each Deeded Developer Parcel shall be delivered to the Developer concurrently with the conveyance of the Grant Deed. The Developer shall accept conveyance and possession of such Deeded Developer Parcel on or before the date established therefor in the Schedule of Performance.

In the event the Developer exercises the Option with respect to a Phase while the Developer is in default hereunder, the following shall occur: If there is then uncured an outstanding valid notice of default, the Developer must cure said default within the applicable cure time, in which case the

exercise of the Option shall be effective as of the date of exercise. If within five (5) days after such exercise the Agency serves on the Developer a valid notice of default, the Developer must cure such default within the applicable cure time, in which case the exercise of the Option shall be effective as of the date of exercise; provided, however, that in the case of the EB-2 Parcels, the period of cure shall not exceed thirty (30) days. If the Developer fails to cure within the applicable time, the exercise of the Option shall be ineffective and the Option shall lapse as to such exercise. If the Agency fails to give such notice of default within said five (5)-day period, then any default in effect at the time of said exercise of the Option shall not operate to inhibit the effectiveness of said exercise.

2.02.4 Condition of Title to Deeded Developer Parcel. If the Developer exercises the Option as permitted hereby, the Agency agrees that at the close of the Escrow it shall convey to the Developer title to the Deeded Developer Parcels free and clear of all possession by others, right of possession, liens, encumbrances, covenants, assessments, easements, leases and taxes, except for those "Approved Title Exceptions" attached hereto as Attachment No. 13; provided that evidence of title shall be the title policy hereinafter referred to and notwithstanding anything in this Agreement to the contrary, and except as provided below, the Developer's sole remedy against the

Agency if title to such Deeded Developer Parcel at the time of conveyance is not in the condition herein specified shall be to terminate this Agreement in accordance with the applicable provisions of Article IX hereof. If at the time scheduled for any conveyance either (i) a possession by others, a right of possession other than that of the Developer, or a lien, encumbrance, covenant, assessment, easement, lease or tax not on the Approved Title Exceptions encumbers a Deeded Developer Parcel, or (ii) the Deeded Developer Parcel lacks the zoning, if any, necessary to permit the Developer to use the Deeded Developer Parcel for the purposes contemplated by this Agreement, the Agency shall have up to ninety (90) days to remove such possession, right of possession, lien, encumbrance, covenant, assessment, easement, lease or tax or to obtain such necessary zoning. If the Agency has not removed such possession, right of possession, lien, encumbrance, covenant, assessment, lease or tax, or has not obtained such necessary zoning within such ninety (90) days, the Developer's sole remedy against the Agency shall be to terminate this Agreement in accordance with the applicable provisions of Article IX hereof and the Developer shall receive a return of all Option Payments except any previously credited to the purchase of a Parcel; provided that if such title defect can be removed by bonding and the Agency has not so bonded within such ninety (90) day period, the Developer may cause such bond to be issued and deduct the premium for such bond from any sums owing by

Developer to Agency and the Agency agrees to reimburse Developer thereafter for any sums which Developer is required to pay to the issuer of such bond as the result of the issuance of such bond.

2.03 Escrow.

(1) The Agency agrees to open an escrow ("Escrow") for each conveyance (whether it be for a leasehold or fee title interest) with the escrow department of Ticor Title Insurance Company of California or other title company as may be selected by the Developer which is reasonably satisfactory to the Agency ("Title Company"), not later than the date established therefor in the Schedule of Performance.

(2) Not later than the date established therefor in the Schedule of Performance, the Agency and the Developer shall provide escrow instructions to the Title Company as shall be necessary and consistent with this Agreement.

(3) After delivery to the Title Company by the Agency of the Grant Deed or Lease, the Title Company shall record the Lease or Grant Deed when title can be vested in the Developer in accordance with the terms and provisions of this Agreement and shall also record any other documents provided for herein applicable to the Parcel being conveyed. Any insurance

policies placed by the Agency governing the Developer Parcels are not to be transferred.

(4) The Developer shall pay the following fees, charges and costs, and shall pay the same in escrow to the Title Company if required by the Title Company, promptly after the Title Company has notified the Developer of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for the close of escrow for the respective Developer Parcels:

(a) the escrow fee;

(b) the cost of any title reports and the premium for the title insurance policies as limited by Section 2.05(b) hereof;

(c) any cash consideration required under Section 2.04 hereof; and

(d) recording fees.

(5) The Developer shall deliver to the Title Company the Quitclaim Deed in the form attached hereto as Attachments No. 15(A), 15(B), 15(C) and 15(D), as applicable, and escrow

instructions in the form of Attachment No. 15(E) hereto and also may deliver a Mortgage or Mortgages.

(6) The Agency shall pay in escrow to the Title Company, the ad valorem taxes, if any, upon the Developer Parcel for any time prior to conveyance of title to said Developer Parcel to the Developer promptly after the Title Company has notified the Agency of the amount thereof, but not earlier than ten (10) days prior to the scheduled date for the close of escrow for the respective Developer Parcels.

(7) Upon the occurrence of the events described in (1) through (6) hereof, the Title Company shall be authorized to:

(a) pay, and charge the Agency and the Developer, respectively, as provided herein, for any fees, charges and costs payable under this Section, after having notified the Agency and the Developer of the fees, charges and costs necessary to clear and convey title;

(b) record any instruments delivered through the Escrow if necessary or proper to vest title in the Developer in accordance with the terms and provisions of this Agreement and otherwise to give effect to this Agreement; and

(c) upon recording the applicable Lease or Grant Deed, and other documents provided for herein deliver to the Developer and the Agency title insurance policies conforming to the requirements of Section 2.05 hereof, disburse funds and deliver the Lease or Grant Deed (as the case may be) and other documents, to the parties entitled thereto.

(8) Subject to the Agency's cure rights pursuant to Sections 2.01.4 and 2.02.4 hereof, and subject to other cure rights provided for herein, if the Escrow is not in condition to permit the delivery of the Lease and recordation of the Lease or Grant Deed, at the time established therefor in Section 2.04 hereof, either party who then shall have fully performed the acts to be performed by it (unless otherwise excused) before the conveyance of title may, in writing, terminate this Agreement as provided in the applicable provisions of Article IX hereof and demand the return of its money, papers or documents. Thereupon all rights, liabilities, duties and obligations of the parties under this Agreement shall cease and terminate in the manner and to the extent provided in the applicable provisions of Article IX hereof. If neither the Agency nor the Developer shall have fully performed with respect to such conveyance before the time established therefor in said Section 2.04, the Title Company shall return all documents and funds deposited with it to the depositor.

(9) All communications from the Title Company to the Agency or the Developer shall be directed to the addresses and in the manner established in Section 11.02 hereof for notices, demands and communications between the Agency and the Developer. Nothing in this Section shall be construed to impair or affect the rights or obligations of the Agency or the Developer to specific performance to the extent provided herein.

2.04 Payment of the Consideration
and Recordation of Documents.

The Developer shall deposit any monies prerequisite to conveyance of a leasehold or fee title interest to a Developer Parcel with the Title Company upon or prior to the date of conveyance established in the Schedule of Performance for such Parcel in addition to the amounts set forth in Section 2.03(4), provided that the Title Company shall have notified the Developer in writing that the Grant Deed or Lease has been delivered to the Title Company and that title is in the condition to be conveyed in conformity with the provisions of Sections 2.01.4 and 2.02.4 hereof. The Title Company shall deliver the monies due upon recordation of the Lease or Grant Deed, together with other consideration or proof of other consideration, as the case may be, to the Agency, the Title Company shall deliver to Developer and Agency title insurance policies insuring title in conformity with Section 2.05 hereof, and the Title Company

shall cause the prompt recording of the Lease or Grant Deed and other documents to be recorded as provided herein, in the Recorder's office of the City and County of San Francisco.

2.05 Title Insurance.

Concurrently with the recordation of the Grant Deed or of the Lease and any other documents provided for herein and the delivery of the originals of the Lease for a Developer Parcel, the Title Company shall provide and deliver:

(a) to the Developer a title insurance policy (which at the Developer's option may be an A.L.T.A. owner's policy) issued by the Title Company, with such reinsurance and direct access agreements as the Developer shall reasonably request, in the case of the Deeded Developer Parcels, in the amount of the purchase price therefor, and in the case of the Leased Developer Parcels, in an amount designated by the Developer which is satisfactory to the Title Company, insuring that the fee or leasehold title thereto is vested in the Developer in the condition required by Sections 2.01.4 and 2.02.4 hereof, together with easements appurtenant thereto (including any contained in any REA), if any, and C.L.T.A. indorsements 100.1, 103.10, 116.1, 116.3, 116.4, 124.1, and 124.3, and any indorsements required to insure against loss occasioned by any McInerny Act exceptions referred to in Attachment No. 13 hereto. All at the sole cost and expense of the Developer; and

(b) to the Agency title insurance policies issued by Title Company, with such reinsurance and direct access agreements as the Agency may reasonably request, insuring:

(i) In the case of a Leased Developer Parcel, in an amount designated by the Agency which is acceptable to the Title Company, all easements granted to Agency by the tenant and all reservations of easements by the Agency;

(ii) In the case of each Deeded Developer Parcel, in an amount designated by the Agency which is acceptable to the Title Company, the right of the Agency to enforce its power of termination set forth in Section 9.03.7 hereof with respect to such Parcel and all reservations of easements by the Agency;

(iii) In the case of the CB-1 Office Parcel, in an amount designated by the Agency which is acceptable to the Title Company, the Agency's rights, liens and priority under the REA;

(iv) In the case of the Retail/Residential REA on CB-1, in an amount designated by the Agency which is acceptable to the Title Company, the Agency's rights, liens and priority under such REA;

(v) In the case of the CB-3 Parcel, in an amount designated by the Agency which is acceptable to the Title Company, the Agency's rights, liens and priority under the Easement Agreement; and

(vi) In the case of the EB-2 REA, in an amount designated by the Agency which is acceptable to the Title Company, the Agency's rights, liens and priority under such REA;

all subject only to the same exceptions appearing in the title policy delivered to Developer and at the sole cost and expense of the Developer, but not to exceed Thirty Thousand Dollars (\$30,000.00).

If the Developer elects to secure an A.L.T.A. owner's policy, the Agency shall cooperate with the Developer to secure such policy by providing surveys and engineering studies in its possession which relate to or affect a condition of title or as to a geological condition. In providing such surveys and engineering studies, the Agency does not warrant the accuracy or sufficiency of such material. The responsibility of the Agency assumed by this paragraph is limited to providing said surveys and engineer's studies, if any, without cost or expense to the Agency.

2.06 Taxes and Assessments.

2.06.1 Leased Developer Parcels. Ad valorem taxes and assessments, if any, on the Leased Developer Parcels levied, assessed or imposed for any period prior to the conveyance of a leasehold or delivery of possession thereto, shall be borne by the Agency. Ad valorem taxes and assessments, levied, assessed or imposed for any period after such conveyance or delivery of possession shall be the responsibility of the Developer, subject to the right to contest set forth in the Leases, and, as provided in California Health and Safety Code Section 33673, shall be based upon the value of the entire property and not merely the assessed value of the Developer's leasehold interest.

2.06.2 Deeded Developer Parcels. Ad valorem taxes and assessments, if any, on the Deeded Developer Parcels levied, assessed or imposed for any period prior to the conveyance of the fee interest or delivery of possession thereto shall be borne by the Agency. Ad valorem taxes and assessments levied, assessed, or imposed for any period after such conveyance or delivery of possession shall be the responsibility of the Developer, subject to the right to contest.

2.07 McInerny Proceedings. The Agency agrees to commence prior to conveyance of a Parcel (and to use reasonable efforts to do so within six (6) weeks after all street vacations re-

lating to such Parcel have been obtained) such McNerny proceedings respecting said Parcel as may be required for the delivery at the time of conveyance of said Parcel of the title insurance called for by Section 2.05 hereof, notwithstanding any indorsement for such McNerny proceedings. The Agency agrees to prosecute such actions diligently to conclusion at the Agency's cost and expense, even after conveyance of such Parcel.

2.08 Access to and Entry by the Developer Upon the Site.

Provided that Developer has obtained a Permit to Enter from the Agency in form as per Attachment No. 18 hereto, representatives of the Developer shall have the following rights of access to and entry upon the Site:

(a) Prior to the conveyance of the leasehold or fee title interest in the Developer Parcels, the right of access to and entry upon the Site, from time to time, at all reasonable times, for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement regarding any part of the Site, including soils tests;

(b) At the time of conveyance of the CB-1 Office Parcel, the right of access to and entry upon the CB-1 Retail Parcels for the purpose of constructing subterranean Improvements (including excavations required therefor); and

(c) Upon commencement of construction of the garage under the surface of the CB-2 Parcel, the right of access to and entry upon the surface of the CB-2 Parcel above the garage for the purpose of constructing said garage (including excavations required therefor).

The Developer shall obtain a separate Permit to Enter for each separate activity undertaken by Developer, which permit shall be for a period of time which will reasonably permit the Developer to complete the activity for which access and entry is authorized. The Agency agrees to issue a Permit to Enter upon (i) request by the Developer, and (ii) the passage of such time as is reasonably necessary for the Agency to insure removal of people and property from the area of the Developer's entry upon the Site. The Developer shall be responsible for all ad valorem taxes assessed by reason of its entry upon the Site.

2.09 Submission of Evidence of Financing and Project Commitments.

(a) In addition to notice of the exercise of the Option relating to any Phase, the Developer shall use reasonable efforts to submit to the Agency no later than the times specified therefor in the Schedule of Performance (unless a

different time is specified below) the following for the review and/or approval as specified below:

(i) for review by the Agency, a copy of a bona fide commitment or commitments containing no provisions requiring acts of the Developer prohibited herein or prohibiting acts of Developer required herein obtained by the Developer from one or more Bona Fide Institutional Lenders for the mortgage loan or loans for interim construction financing (and take out financing, if any or if required by the interim construction financing) to assist in financing the construction of the Improvements (as defined in the Scope of Development), certified by the Developer to be a true and correct copy or copies thereof. The Developer shall use reasonable efforts to have all commitments for financing provide for assignment thereof to the Agency and stating that in the event of the Developer's default thereunder, the commitment will be continued for the benefit of the Agency. The Developer covenants to perform any and all conditions to funding thereof. Any amount of any such loan conditioned upon achieving leasing requirements specified in such commitment to the extent unsatisfied shall not be deemed to be committed loan amounts;

(ii) if the commitment so permits a collateral assignment to Agency of the commitment referred to in (i) above for the Agency's review and reasonable approval;

(iii) copies of all executed construction contracts covering hard costs of the applicable Improvements, together with assignments of such contracts, as such contracts are executed, for review by the Agency;

(iv) original performance and labor and materials bonds in the form required by California Civil Code Section 3235 (x) in the case of Leased Developer Parcels in the amount of fifty percent (50%) of the amount of such general construction contract naming the Agency as an obligee and (y) in the case of all Developer Parcels where required by the construction lender any contract bonds naming the Agency as an obligee provided by the general contractor in connection with the construction contract for the Agency's review;

(v) a statement in form reasonably satisfactory to the Agency sufficient to demonstrate that the Developer has adequate funds or will have adequate funds upon the funding of the commitments referred to in item (vi) below and is committing such funds to cover the difference, if any, between the amount of land acquisition costs or Lease payments during construction, if any, and Development Costs, less the amount available to the Developer from the construction loan or loans. Said statement shall be accompanied by a budget (the "Budget") identifying all line items (but without the necessity of disclosing the amount of individual line items which the Developer

certifies are subject to a fixed price or guaranteed maximum price contract but disclosing the total of all such line items) which the Developer believes should be included in Total Development Costs in connection with the construction of the Improvements on the Parcel in question for the review of the Agency. The Agency shall have the right to object to the Budget only on the grounds that the Developer has unreasonably not included a line item, or as to a line item not subject to a fixed price or guaranteed maximum price contract, has not reasonably specified an adequate amount therefor. If the parties are unable to resolve such dispute within fifteen (15) days after the giving of notice of said objection by the Agency to the Developer, the dispute shall be determined by arbitration commenced by the Agency within thirty (30) days after the expiration of such fifteen (15) day period under the provisions of Section 11.04 hereof. If the arbitration is so commenced, the position of the Agency shall apply for all purposes of this Agreement and the DDA Guaranty until the award of the arbitrator is made, and during the pendency of the arbitration there shall not be any delay in the conveyance of the affected Parcel or any other portion of the Project or in the design or construction thereof on account of said dispute. In the event the Agency fails to commence said arbitration within the time specified above, unless the parties in writing agree to extend said time, the applicable objection of the Agency shall be deemed to have been withdrawn and shall be of

no further force or effect. Should a line item contained in the Budget subsequently become the subject of a fixed price or guaranteed maximum price contract, the amount of the Budget will be adjusted at the time of the execution of said contract to reflect the amount of said line item as set forth in the contract;

(vi) a bona fide third party commitment to Developer, in form and substance and of a person reasonably satisfactory to the Agency, to advance to the Developer as or before needed funds which, in conjunction with the funds of Developer shown on the statement referred to in item (v) are sufficient to cover the difference, if any, between the amount of land acquisition costs or lease payments during construction, if any, Development Costs and other pre-opening costs, less the amount available to the Developer from the construction loan or loans;

(vii) prior to conveyance to the Developer of the CB-1 Office Parcel, a copy of the commitments, statement, Budget and assignments referred to in clauses (i), (ii), (v) and (vi) above with respect to the construction of the Improvements on the CB-1 Retail Parcels, the CB-2 Parking Parcel, the CB-2 ARE Parcels, the CB-2 Retail Parcels and CB-3 ARE/Retail Parcel (unless Delayed or Terminated), certified by the Developer to be true and correct copies thereof for the review and approval

of the Agency to the extent provided in such clauses (i), (ii), (v) and (vi) above; and

(viii) an agreement from all architects and engineers with whom the Developer contracts relating to the Improvements on the relevant Developer Parcel(s), agreeing to perform such contracts for the Agency if the Agency terminates any Lease or exercises any power of termination set forth herein and agreeing that the Agency may use, without any cost to Agency, any plans and specifications and other data prepared by such architect or engineer for such Improvements so long as such architect's or engineer's name is not removed from such data without the written consent of such architect or engineer, which agreement shall be subject to the Agency's review and reasonable approval. Such agreement may provide that such architect or engineer may use such plans and specifications on projects which are not located on the Site.

(b) The Agency will notify the Developer in writing of its approval or disapproval of the foregoing documents requiring the Agency's approval no later than the time specified in the Schedule of Performance. Failure of the Agency to notify the Developer of its approval or disapproval within said period shall constitute approval of the submitted documents.

2.10 Developable Parcels

The Agency shall use reasonable efforts to make each of the Developer Parcels Developable Parcels on or before the date specified therefor in the Schedule of Performance. In the event any such Parcel is not a Developable Parcel by a date not later than six (6) months after the date specified therefor in the Schedule of Performance, the Developer shall have the right to terminate this Agreement in accordance with the applicable provisions of Article IX hereof by written notice to the Agency given within two (2) weeks after the expiration of such six (6)-month period. If the Developer does so terminate this Agreement, the Agency agrees that for the following one (1)-year period, the Agency will negotiate only with the Developer and with no other party for the purchase or lease of the affected Parcel(s). If the Developer does not choose to terminate this Agreement and a Developable Parcel cannot be obtained within an additional one (1)-year period, then either party may terminate this Agreement in accordance with the applicable provisions of Article IX hereof, by written notice to the other party given within two (2) weeks after the expiration of such one (1)-year period.

2.11 Conditions for Conveyance

2.11.1 Conditions to the Developer's Obligations. The following are conditions to the Developer's obligations with

respect to each conveyance to the extent not expressly waived by the Developer:

(a) That the Agency shall have performed all obligations hereunder required to be performed prior to the date of such conveyance;

(b) That the Parcel to be conveyed is a Developable Parcel;

(c) That the Title Company is prepared to issue to the Developer all title insurance required by Section 2.05 hereof to be delivered to the Developer applicable to the Parcel to be conveyed; and

(d) That a full building permit for the Improvements on such Parcel has been issued, except that in the case of Fast Track only the permit and addendum specified in Section 4.18.2 need to have been issued.

2.11.2 Conditions to the Agency's Obligation. The following are conditions to the Agency's obligations with respect to each conveyance of a Parcel hereunder to the extent not expressly waived by the Agency:

(a) That the Developer shall have performed all obligations hereunder required to be performed prior to the date of such conveyance;

(b) That the Parcel to be conveyed is a Developable Parcel;

(c) That the Agency shall have received and approved to the extent therein provided all items referred to in Section 2.09(a) hereof applicable to the Phase in question or Parcel to be conveyed, as applicable;

(d) That the Title Company is prepared to issue to the Agency all title insurance required by Section 2.05 hereof to be delivered to the Agency applicable to the Parcel to be conveyed;

(e) That the Agency shall have approved as provided in Article IV the Construction Documents for the Improvements on said Parcel and, in the case of the CB-1 Office Parcel, the Construction Documents for the Improvements on the CB-1 Retail Parcels, CB-2 Parking Parcel, CB-2 Retail Parcels, CB-2 ARE Parcels and the CB-3 ARE/Retail Parcel (unless Delayed or Terminated);

(f) That a full building permit for the Improvements on such Parcel has been issued, except that in the case of East Track only the permit and addendum specified in Section 4.18.2 need have been issued;

(g) At the time of the conveyance by the Agency to the Developer of the CB-1 Office Parcel, the Guarantor and The Marriott Corporation must together have a net worth of not less than Three Hundred Million Dollars (\$300,000,000) and the Guarantor must have a net worth of not less than Two Hundred Million Dollars (\$200,000,000), all calculated in accordance with generally accepted accounting principles and with all land and buildings constituting assets of the Guarantor being valued at fair market value based upon an appraisal not older than one (1) year conducted by an M.A.I. appraiser with at least ten (10) years' experience in appraising major New York commercial properties. The Guarantor shall furnish to the Agency at such time a certificate executed by Margolin, Weiner & Evans, or a "Big Eight" accounting firm selected by the Guarantor, certifying that the Guarantor's net worth calculated in accordance with generally accepted accounting principles (modified as to land and buildings as set forth above) is no less than Two Hundred Million Dollars (\$200,000,000). The Marriott Corporation agrees to furnish to the Agency at such time its most recent 10-K report filed with the Securities and Exchange Commission, but if more than one quarter has elapsed since its

filing, its most recent 10-Q report filed with the Securities and Exchange Commission;

(h) That the Agency shall have received the information required to be delivered to it by Section 8.02 hereof; and

(i) Prior to the conveyance of a Parcel, the Developer shall have caused to have prepared, filed and recorded a record of survey or parcel map covering the Parcel being conveyed.

ARTICLE III MISCELLANEOUS OBLIGATIONS

3.01 Physical Condition of the Developer Parcels.

The Agency is not in any way responsible for the soil conditions of the Developer Parcels or for removing any subsurface obstruction on the Developer Parcels. It shall be the sole responsibility of the Developer, at the Developer's expense, to investigate and determine the soil conditions of the Developer Parcels and the suitability of the Developer Parcels for the development to be constructed pursuant to this Agreement. The Developer Parcels shall be conveyed in an "as is" physical condition. After the Agency's conveyance, it shall be the Developer's sole responsibility and obligation to take such action as may be necessary to place the Developer Parcels in all respects in a physical condition entirely suitable for the

development of the Developer Parcels as described in this Agreement.

3.02 Maps.

The Developer shall cause to have prepared, filed and recorded all tract maps, parcel maps and condominium maps required by law and necessary for the development of the Developer Parcels at its expense and with the approval and consent of the Agency. At the request of the Developer, the Agency will execute tract maps, parcel maps and condominium maps necessary for the development of the Developer Parcels and prepared at the sole cost and expense of the Developer, which the Agency has approved in its reasonable discretion. In connection with the filing of the above maps, the Developer shall pay for all applicable fees (including in-lieu fees) to the City and County of San Francisco.

3.03 Residential Condominium Documents.

The Developer shall submit to the Agency for its approval, which shall not be unreasonably withheld or delayed, the declaration of restrictions, easements, covenants or other conditions for the CB-1 Residential Parcel and the EB-2 Residential Parcel at a reasonable time (sufficient to allow for comment and approval by the Agency) prior to submission to the

: California Real Estate Commissioner and to the recording of
such declaration and not later than ninety (90) days before
: conveyance of such parcels by the Agency to the Developer.

3.04 Agency Obligation.

The Agency, subject to Litigation Force Majeure, Ordinary Force Majeure and all other provisions of this Agreement, without expense to the Developer or assessment or claim against the Site, shall perform all work specified in the Scope of Development for the Agency to perform, within the times specified in the Schedule of Performance.

ARTICLE IV DEVELOPMENT OF THE SITE

4.01 Developer's Construction Obligations.

If the Developer exercises the Option as to any Phase, except with respect to the CB-3 ARE/Retail Parcels if Terminated, the Developer shall construct (or cause to be constructed) the buildings and other Improvements upon such Developer Parcels described in this Agreement relating to such Phase within the times and in the manner set forth herein and in the Schedule of Performance and Scope of Development or within such extension of such times as may be granted by the Agency for the Developer's performance as provided for in this

Agreement. All Improvements shall be constructed by the Developer in a good and workmanlike manner.

4.02 Phasing of Construction.

The Developer Parcels shall be developed in phases as follows:

Phase 1: The Developer's Improvements on the CB-1 Hotel Parcel and the CB-2 Hotel Parcel, including that portion of the CB-1 parking specified for Phase 1 as shown on the Site Plan, the tunnel under Mission Street connecting the CB-1 and CB-2 Hotel Parcels and all other work to be performed by the Developer as part of that phase as provided in the Scope of Development.

Phase 2: The Developer's Improvements on all remaining Developer Parcels located on CB-1, CB-2 and CB-3, all of which shall be completed contemporaneously with the Improvements on the CB-1 Office Parcel (except for CB-3 if Delayed or Terminated), in subphases as follows:

- (a) the CB-1 Office Parcel, including the balance of all the CB-1 parking, the CB-2

Parking Parcel and all other work, if any, to be performed by the Developer as part of that subphase as provided in the Scope of Development;

(b) the CB-1 Retail Parcels, including the portions thereof contained in the CB-1 Hotel Building and the CB-1 Office Building, the CB-2 and CB-3 Retail Parcels, CB-2 ARE Parcels and CB-3 ARE/Retail Parcels (unless said CB-3 ARE/Retail Parcels are Delayed or Terminated) and all other work, if any, to be performed by the Developer as part of that subphase as provided in the Scope of Development; and

(c) the CB-3 ARE/Retail Parcels, if Delayed.

Phase 2R: The CB-1 Residential Parcel.

Phase 3: The development by the Developer of EB-2, including the Williams Building Parcel, in accordance with this Agreement.

NOTE: The phasing of construction provided for herein does not necessarily correlate with

the phasing of the Developer's preparation and submittal of the Construction Documents as provided herein.

4.03 Compliance of Construction with Construction Documents and Law.

All of the Improvements to be constructed by the Developer shall be constructed in compliance with those elements of the Construction Documents for which Agency approval is required under Sections 4.08 and 4.10 hereof and in compliance with all applicable local, state and federal laws and regulations.

4.04 The Construction Documents.

The Construction Documents consist of:

- (1) the Basic Concept Drawings;
- (2) the Schematic Drawings;
- (3) the Preliminary Construction Documents; and
- (4) the Final Construction Documents.

They are more particularly described and defined in Part Three of the Scope of Development.

4.05 Compliance of Construction Documents.

The Construction Documents shall be in compliance with:

- (1) the Redevelopment Plan;
- (2) the Declaration of Restrictions; and
- (3) this Agreement, including the Scope of Development.

The Redevelopment Plan, the Declaration of Restrictions and this Agreement, including the Scope of Development, are sometimes for convenience referred to as "Redevelopment Requirements."

4.06 Preparation of Construction Documents/Approval of Architect.

The Construction Documents shall be prepared by or signed by an architect (or architects) licensed to practice architecture in and by the State of California. Said architect shall utilize as necessary California licensed members of associated design professions, including engineers and landscape

architects, or alternatively the Developer may directly engage all or some of these associated design professions provided that a California licensed architect shall coordinate the work. In any event:

(a) a California licensed architect shall inspect all construction and shall provide certificates in the form of Attachment No. 20 when required by the Agency; and

(b) a California licensed civil engineer must review and certify all final foundation and grading plans.

All architectural firms engaged by the Developer shall be approved by the Agency.

4.07 Submission of Construction Documents.

The Developer shall prepare and submit the Construction Documents to the Agency for review and approval as provided in Section 4.08 in accordance with the Scope of Development, at the times established in the Schedule of Performance.

No times have been established for the submittal of Basic Concept Drawings since the Developer intends to make only a single submittal of these Drawings, for review and approval of

certain specified matters, at the time this Agreement is submitted to the Agency Commission for review and approval.

4.08 Scope of Agency Review of Developer's Construction Documents.

The Agency's review and approval of Developer's Construction Documents is limited to (i) a determination of their compliance with Redevelopment Requirements and rehabilitation standards adopted by the Agency, including compliance with the adopted mitigation measures referred to in Section 10.03 hereof, and (ii) architectural appearance and aesthetics, matters of site planning, all easement locations and sizes, and in addition adequacy of facilities for servicing the Agency-Retained Parcels (including in the case of Phase 1 the retail parcels within the Hotel Building to be retained by the Agency) and landscape design. No Agency review is made or approval given as to the compliance of the Construction Documents with Building Standards, namely: building engineering or structural matters (except as may be set forth in the CB-3 Sublease and related documents and in the Scope of Development); or compliance with building codes or regulations; or any other applicable law or regulation relating to construction standards or requirements. The Agency shall not review interiors of structures except for the Galleria (as described in the Scope of Development), those located on the CB-2 Parking Parcel,

those areas described in subsections 4.25(a) and (c) hereof, and lobby areas visible from public access areas. These lobby areas are reviewed to determine that lobby design and lobby materials are not incompatible with the exterior design and exterior materials of the structure in which the lobby is located.

The Agency's review and approval or disapproval of Construction Documents as heretofore provided in this Section 4.08 shall be final and conclusive except for (x) compliance with the Redevelopment Plan, (y) all matters of a computational nature, and (z) matters which are within the purview of Part Two ("Development Design Guidelines") of the Scope of Development, unless they are also within the purview of item (ii) of this Section 4.08 above. Review and approval shall be reasonable with respect to said exceptions (x), (y) and (z). It shall be within the sole judgment of the Agency as to whether a matter is within the purview of said item (ii) above. The Agency shall act in good faith in its review and approval process and in certification of completion. The Agency will not subsequently disapprove or require changes (except by mutual agreement) in, or in a manner which is inconsistent with, matters which it has previously approved. If there is a disagreement between the Agency and the Developer as to whether or not a matter contained in a particular submittal has been previously approved or whether the Agency is

acting in a manner which is inconsistent with matters which it previously approved, the Agency's reasonable judgment shall apply in resolving the disagreement.

4.09 Scope of Developer Submissions of Construction Documents.

The following provisions shall apply to all Developer submissions of Construction Documents. Each of the Construction Document stages is intended to constitute a further development and refinement from the previous stage. The Schematic Drawings are intended to refine those design elements shown on the Basic Concept Drawings and to set forth basic design concepts in areas where the Basic Concept Drawings do not show the same. The elements of the Preliminary Construction Documents requiring Agency approval shall incorporate only conditions, modifications and changes specified by the Agency in accordance with the standards set forth in Section 4.08 hereof for the approval of the Schematic Drawings. Preliminary Construction Documents shall be in sufficient detail and completeness to show that the Improvements and the construction thereof will be in compliance with Redevelopment Requirements and matters previously approved. The Final Construction Documents shall be a final development of and be based upon and conform to the approved Preliminary Construction Documents with respect to the elements thereof requiring Agency approval and shall

incorporate only Agency conditions, modifications and changes approved by the Agency in accordance with the standards set forth in Section 4.08 hereof for the approval of the Preliminary Construction Documents. The Final Construction Documents shall include all drawings, specifications and documents necessary for the Improvements to be constructed and completed in accordance with this Agreement.

4.10 Changes.

Changes shall not be made in any Agency-approved Final Construction Documents as to elements requiring Agency approval as provided herein without the Agency's express written approval; provided, however, if certain materials approved by the Agency are not available for construction, the Developer may substitute materials which are the architectural equivalent as to aesthetic appearance, quality, color, design and texture, as determined by the Agency in the exercise of its reasonable discretion. Any dispute concerning the exercise by the Agency of its discretion provided for in the immediately preceding sentence shall be submitted to arbitration before a panel of three disinterested architects who are members of the American Institute of Architects and otherwise in accordance with the rules of the American Arbitration Association then in effect. The cost of such arbitration shall be borne equally by the parties. The Agency shall expeditiously respond to a requested

change in the Construction Documents, in writing, but in any event within twenty-one (21) days after submission of the request to the Agency. No change requiring Agency approval shall be implemented until such approval has been obtained.

4.11 As-Built Documents.

The Developer shall use due diligence to furnish to the Agency the as-built plans, specifications and surveys for all Leased Developer Parcels, and, with respect to the Deeded Developer Parcels, the Developer shall furnish to the Agency as-built plans, specifications and surveys if the Developer furnishes such plans, specifications and as-built surveys to its lender. The Developer shall include in every general construction contract into which it enters for construction of the Improvements a clause requiring the contractor to deliver as-built plans, specifications and surveys for all work performed by the contractor or any subcontractor within a reasonable time after construction has been completed.

4.12 Conflict Between Redevelopment Requirements and Building Standards.

The Agency shall not withhold its approval of elements of Construction Documents or changes in Construction Documents

required by any governmental body if the following has occurred:

(a) the Agency has been afforded a reasonable opportunity to discuss such element or change with the governmental body having jurisdiction of and requiring such element or change, and with the Developer's architect; and

(b) the Developer's architect shall have fully cooperated with the Agency and with the governmental body having jurisdiction in seeking reasonable modifications of such requirement, or reasonable design modifications of the Improvements, or some combination thereof, all to the end that a design solution reasonably satisfactory to the Agency and approved by it may be achieved despite the imposition of said requirement.

The Developer and Agency recognize that the foregoing kind of conflict may arise at any stage in the preparation of the Construction Documents, but that it is more likely to arise at or after the time of the preparation of the Final Construction Documents and may arise in connection with the issuance of building permits by the City. Accordingly, time may be of the essence when such a conflict arises. Both parties agree to use their best efforts to expeditiously reach a solution that is

mutually satisfactory to the City, the Developer and the Agency.

4.13 Construction Document Review Procedures.

4.13.1 Role of Agency Staff and Commission. Agency review and approval of Construction Documents pursuant to the provisions of Section 4.08 hereof shall mean and require as to each of the submittals referred to in the Scope of Development, namely, Basic Concept Drawings, Schematic Drawings, Preliminary Construction Documents, Final Construction Documents and the additional materials: (i) review and approval by Agency staff; and, thereafter, (ii) review and approval by the Agency Commission acting at a public meeting after consideration of the submittal at a public meeting; provided, however, that only significant changes in Final Construction Documents from approved Preliminary Construction Documents shall be submitted to the Agency Commission for review and approval.

4.13.2 Method of Agency Action. The Agency staff and Commission shall approve or disapprove the Construction Documents, in writing, within the times established in the Schedule of Performance. Failure by the Agency to either approve or disapprove within the times provided herein shall entitle the Developer to an extension of time for the period of such delay. Placing the written Agency approval or disapproval

in the mail or hand-delivery within the times established by said Schedule of Performance shall be deemed timely.

4.13.3 Timing of Agency Disapproval and Developer Resubmission. If the Agency staff or Commission disapproves the Construction Documents, in whole or in part, the Agency in the written disapproval may also recommend changes and make other recommendations. If such disapproval is by the Commission, such disapproval shall state the reasons therefor. A resubmittal may be made as expeditiously as possible. The Developer may continue making resubmissions until the submissions are approved or until the last date for approval as specified in the Schedule of Performance as may be extended below. If the Agency staff disapproves the Schematic Drawings in the case of any Phase, the date set forth for approved Schematic Drawings set forth in the Schedule of Performance shall be extended for thirty (30) days and the date for submission of Preliminary Drawings shall also be extended for thirty (30) days if and only if work on Preliminary Drawings cannot proceed in a meaningful manner until approval of Schematic Drawings. Failure to have a submission approved by such last date or within thirty (30) days thereafter shall permit termination of this Agreement by the Agency in accordance with the provisions of Article IX hereof. If the Agency staff disapproves the Preliminary Drawings for any Phase, the date set forth in the Schedule of Performance for such approved

Preliminary Drawings for such Phase shall be extended an additional thirty (30) days. If the Agency Commission disapproves the Schematic Drawings with respect to any Phase, the date set forth in the Schedule of Performance for such approved Schematic Drawings shall be extended an additional thirty (30) days.

4.13.4 Written Commission Action. Action of the Agency Commission at a public meeting shall be deemed to be in writing if reduced to writing and placed in the mail or hand-delivered to the Developer within three (3) working days after the public meeting.

4.14 Progress Meetings.

During the preparation of Construction Documents, the Agency staff and the Developer shall hold periodic progress meetings as appropriate considering the Developer's Construction Document progress, to coordinate the preparation of, submission to, and review of Construction Documents by the Agency. The Agency staff and the Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any Construction Documents to the Agency can receive prompt and speedy consideration.

4.15 Construction Schedule/Reports.

The Developer shall commence, prosecute and complete all construction and development within the times specified in the Schedule of Performance or within such extension of such times as may be granted by the Agency for Developer performance or as provided for in Sections 4.13.3, 4.26, 4.27, 4.28, 4.30, 10.04 and 11.01 hereof, and in paragraph E of Schedule G of Attachment No. 21 hereto, and in the CB-3 Sublease which is Attachment No. 27 hereto and in the Agreement to Lease which is Attachment No. 26(B) hereto as to CB-3.

During periods of construction, the Developer shall submit to the Agency written progress reports when and as reasonably requested by the Agency no more frequently than once every quarter, except during the last one hundred and twenty (120) days of construction and then monthly, and the Developer will also submit to the Agency whatever progress reports it submits to its lender. The reports shall be in such form and detail as may reasonably be required by the Agency, and shall include a reasonable number of construction photographs taken since the last report submitted by the Developer. Such reports will be held in confidence by the Agency to the extent permitted by law and consistent with the responsibilities of the Agency.

4.16 Cost of Developer Construction.

The cost of developing the Developer Parcels and construction of all Improvements thereon shall be borne by the Developer except for the work expressly set forth in this Agreement to be performed by the Agency or others. The Agency and the Developer shall each pay the costs necessary to administer and carry out their respective responsibilities and obligations under this Agreement.

4.17 Indemnity and Insurance.

During the period subsequent to conveyance and during the period of construction on the Site and until such time as the Agency has issued a Certificate of Completion and Right to Occupy under Article V hereof, the Developer agrees to and shall indemnify and hold the Agency and the City harmless from and against all liability, loss, damage, costs or expenses (including, but not limited to, reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or to the property of any person which shall occur on or adjacent to the Site and which shall be directly or indirectly caused by any acts done thereon or any acts or omissions of the Developer or its agents, servants, employees or contractors. The Developer shall not be responsible for (and such indemnity shall not apply to) any loss due primarily

to active negligence on the part of the Agency or the City or their respective agents, servants, employees or contractors.

During the period from conveyance by sale or lease of any Developer Parcel until such time as the Agency has issued its final Certificate of Completion and Right to Occupy for such Developer Parcels, the Developer shall furnish, or shall cause to be furnished to the Agency, duplicate originals or appropriate certificates of: (1) Worker's Compensation insurance, including Employers' liability with limits not less than \$1,000,000 each accident, except that such insurance in excess of \$500,000 may be covered by a so-called "umbrella" or "excess coverage" policy; (2) Comprehensive General Liability insurance, with limits not less than \$10,000,000 each occurrence for Bodily Injury and Property Damage Combined, including coverages for contractual liability, Personal Injury, Broadform Property Damage, explosion, collapse and underground (XCU), owners' and contractors' protective, Products and Completed Operations, except that such insurance in excess of \$1,000,000 may be covered by a so-called "umbrella" or "excess coverage" policy; (3) Comprehensive Automobile Liability insurance, with limits not less than \$10,000,000 each occurrence for Bodily Injury and Property Damage Combined, including coverages for owned, nonowned and hired vehicles, except that such insurance in excess of \$1,000,000 may be covered by a so-called "umbrella" or "excess coverage" policy; (4) Professional Liability insurance, with limits not less than \$2,000,000 each occurrence, including

coverages for Injury or Damage arising out of Acts or Omissions with respect to all design and engineering professional services, with any deductible acceptable to Agency; (5) During construction, alteration or repair of any improvement, builders risk insurance for the amount of completed value (or lesser amount acceptable to Agency or as to earthquake insurance only such maximum amount as is reasonably available from recognized carriers) on an all-risk form, including earthquake, and flood, insuring the interests of Developer, Agency, City and any contractors and subcontractors as Named Insureds as their interests may appear with a deductible in the case of earthquake only of the lesser of (i) ten percent (10%) of the completed value of the Improvements or (ii) \$5,000,000 per Phase or such greater amount as is required to make such earthquake insurance reasonably available from recognized carriers. Any deductibles with respect to policies (except earthquake as set forth above and all-risk casualty insurance not in excess of \$250,000 in all cases other than the Parcels leased under the ARE/Retail Lease and the CB-3 ARE/Retail Lease and in such cases in excess of \$100,000) shall be subject to approval of Agency. General liability, automobile liability and professional liability policies shall name as additional insureds the Agency and the City and shall be primary to any other insurance available to the additional insureds. Certificates of all policies shall be furnished the Agency upon request. All such policies of insurance shall not be cancellable or materially changed except upon

thirty (30) days prior written notice to the Agency except in the case of nonpayment of premiums and then upon ten (10) days prior written notice to the Agency, shall, so far as such policies provide for payment of losses, provide or be to the legal effect that such losses payable to the Agency or the City shall be payable notwithstanding any act or negligence of the Developer, and certificates evidencing such insurance shall be delivered to the Agency at least thirty (30) days prior to the commencement of any work on the Parcel, and at least thirty (30) days prior to the expiration of any policy.

4.18 City and Other Governmental Agency Permits.

4.18.1 Regular Track. The Developer shall have the sole responsibility for obtaining all necessary building permits and shall make application for such permits directly to the Central Permit Bureau of the City for Improvements on Developer Parcels. If requested by the Developer, the Agency shall provide all assistance to the Developer in securing these permits. Before commencement of construction of any buildings, structures or other Improvement upon the Developer Parcels and before the conveyance of the leasehold or fee title interests in Developer Parcels, the Developer shall at its own expense secure or cause to be secured any and all permits which may be required for commencement of construction by the City or any other governmental agency affected by such construction,

development or work. The Developer shall submit a complete application for a building permit (or if necessary to meet the date for conveyance of a leasehold or fee title interest in the Developer Parcels set forth in the Schedule of Performance, a site permit and subsequent addenda) within a time adequate to obtain the same prior to the date set forth in the Schedule of Performance for conveyance of a leasehold or fee title interest in the Developer Parcels, taking into account normal processing time by the City and notwithstanding the dates set forth in the Schedule of Performance for submission of Construction Documents. Upon any such submission, the Developer shall thereafter diligently prosecute such application to issuance. The Developer shall report permit status in writing every thirty (30) days to the Agency.

4.18.2 Fast-Track. The so-called "fast-track" method of construction of Improvements allows the commencement of construction for any Phase or subphase with less than a full building permit and the continuance of the construction thereafter to completion through the issuance of the remaining portions of the full building permit, seriatum, in the form of addenda covering the aspects and phases of the construction not covered by the portion of the building permit which allowed construction to commence. The Agency is willing to permit the fast-track construction of Improvements on the Developer's

Parcels with respect to one or more Phases or subphases at the election of the Developer, provided the Developer proceeds diligently and strictly in accordance with this Section 4.18.2 and that the use of fast-track will not delay the dates set forth in the Schedule of Performance for commencement and/or completion of construction.

(a) Under the Agency-permitted fast-track, the site permit portion of the full building permit with excavation addenda is required for the commencement of construction.

(b) If the Developer elects to fast-track any Improvements:

(i) the Developer shall notify the Agency, in writing, of its election to do so not later than thirty (30) days following the Agency's approval of the Developer's Preliminary Construction Drawings;

(ii) with such notification, the Developer shall also transmit to the Agency its schedule for applying for the site permit and excavation addenda and each succeeding permit addendum necessary for the construction and completion of such Improvements, identifying each addendum and the expected time of issuance;

(iii) since the City must approve the sequence of permitted addenda issuance, the Developer with the schedule required by (ii) above shall also supply the Agency with the City-approved sequence; and

(iv) the Agency shall promptly review the schedule and the City-approved sequence, and, within ten (10) days of the receipt, shall advise the Developer, in writing, whether or not they are acceptable to the Agency in the exercise of its reasonable discretion. If they or either of them are not acceptable, the Developer shall consult with the Agency (and the City, if applicable) and transmit a revised schedule and City-approved sequence to the Agency within fourteen (14) days after advice that they or either of them are not acceptable. The Agency will take into account such City-approved sequence in its approval of the schedule, provided that such City-approved sequence and such schedule will not postpone the commencement date and/or the completion date for the relevant Improvements set forth in the Schedule of Performance.

If the notice specified in (i) above or the schedule and sequence specified in (ii) and (iii) above, or the revisions required by (iv) above are not timely received or are not reasonably satisfactory to the Agency, fast-track will not be permitted and shall not be utilized.

(c) If, and at the time that the schedule and City-approved sequence are accepted by the Agency, then the Agency shall within fourteen (14) days after such acceptance advise the Developer, in writing, of the Agency's required Final Construction Documents submission schedule, advising which of said documents must be approved by the Agency as a condition of approving each permit addenda commencing with the site permit and with excavation addenda and how long in advance of the scheduled addenda date they must be supplied to the Agency for review.

If the Developer shall object to the Agency's schedule for Final Construction Documents submittal and review, it must make its objections known to the Agency in writing within seven (7) days of its receipt of the Agency schedule. If within seven (7) days thereafter the Agency and the Developer after acting reasonably cannot agree upon a Final Construction Documents submission schedule, fast-track will not be permitted and shall not be utilized for the applicable Improvements.

(d) If the requirements of (b) above have been satisfied and if the Agency and the Developer have agreed to a Final Construction Documents submission schedule pursuant to (c) above, the Developer shall be relieved of the requirements to submit a full set of Final Construction Documents, at the time specified in the Schedule of Performance, and in lieu thereof,

the Final Construction Documents shall be sequentially submitted in accordance with the agreed-upon schedule established in (c) above and the Schedule of Performance shall be deemed to be amended accordingly.

(e) If the Developer gives the fast-track election notice prior to the submission of the Preliminary Construction Documents, then in such event and subject to (b), (c), and (d) above, and the further provision of this subparagraph (e), the Agency may, in its sole discretion, delay the submission of certain of the Preliminary Construction Documents to a date subsequent to the date specified in the Schedule of Performance, the identity of the Preliminary Construction Documents to be delayed and the amount of delay to be as specified by the Agency after consultation with the Developer.

If the Agency and the Developer do not agree on which of the Preliminary Construction Documents are to be delayed or the extent of the delay, then there shall be no fast-track permitted and fast-track shall not be utilized and the Preliminary Construction Documents shall be submitted in accordance with the Schedule of Performance, provided, however, nothing contained in this subparagraph (e) shall prevent the Developer from again electing to fast-track in accordance with the provisions of (b), (c) and (d) above.

(f) If any of the fast-track permit addenda are not issued (or will not be issued) in accordance with the Agency-approved schedule, the Developer shall immediately advise the Agency, in writing, of such fact and state what it believes to be the reason for the delay. The Agency may then conduct its own investigation with the Developer and the City as to the reason for the delay.

(i) If the Agency determines that the delay in issuance is the City's delay in processing, the Agency shall cooperate with the Developer, as appropriate, to seek to obtain the completion of City processing.

(ii) If the Agency determines that the delay is due to acts or omissions of the Developer or has been contributed to by the Developer, the Agency shall so advise the Developer and the Developer shall forthwith and expeditiously take all steps and prepare all documents required by the City for the issuance of the permit addenda, and it shall do so within forty-five (45) days of the original permit addenda issuance date.

(g) If the Developer desires, it may at any time before commencement of construction, change from fast-track to regular track by electing to do so in written notice to the Agency, but such a change shall not delay the commencement and completion

of construction dates specified in the Schedule of Performance and may only be done if Construction Document review by the Agency can be reasonably accommodated and in sufficient time for issuance of a building permit and timely commencement of construction. Any dispute concerning the provisions of this paragraph (g) shall be subject to arbitration as provided herein.

4.18.3 Agency Approval of Permits. The Developer is advised that the Central Permit Bureau forwards all site permits, building and permit addenda to the Agency for Agency approval. Because the Agency's review of the Construction Documents referred to in this Article IV is not directed to Building Standards and the Agency has no responsibility therefor, any permit approval by the Agency is so limited. The Agency evidences its approval by signing the permit and returning the permit to the Central Permit Bureau for issuance directly to the Developer. Approval of a site permit or any intermediate permit is not approval of compliance with all Redevelopment Requirements and this Agreement necessary for a building permit.

4.19 Agency and City Rights of Access.

Representatives of the Agency and the City shall upon reasonable prior notice have reasonable right of access to

the Developer Parcels or any part thereof, when escorted by a representative of the Developer, without charge or fee, during the period of construction to the extent necessary to carry out the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Improvements. Such representatives of the Agency or the City shall be those who are so identified in writing by the Executive Director of the Agency, and the Agency and the City shall inform the Developer of the purpose of their visit. The Agency will provide the Developer, upon request, with a summary of any written reports prepared by the Agency with respect to the Developer Parcels pursuant to any such inspection, but the Agency disclaims any warranties, representations and statements made therein and shall have no liability or responsibility with respect to any such warranties, representations and statements therein, and therefore shall not be estopped from taking any action (including, but not limited to, later claiming that the construction of the Improvements thereon is defective, improper or incomplete) nor shall be required to take any action as a result thereof. The foregoing representatives are in addition to any City representatives who enter upon Developer Parcels or any portion thereof pursuant to their functions with respect to construction of the Improvements.

4.20 Affirmative Action and Non-Discrimination.

The Developer, for itself and its successors and assigns, agrees that during the construction of the Improvements provided for in this Agreement it will comply with the Affirmative Action requirements of Section 10.01 hereof, and, in addition, the Developer will not discriminate against any employee or applicant for employment because of sexual orientation, race, color, creed, religion, sex, marital status, ancestry or national origin and shall prohibit such discrimination in any contracts it enters into directly or indirectly relating to the development of the Developer Parcels.

4.21 Prevailing Wages/Labor Standards.

The Developer shall pay or cause to be paid prevailing rates of wages, as required by applicable laws and regulations for all construction work done in connection with the construction of the Improvements and shall comply with all applicable local, federal and state labor standards.

4.22 Construction Signs.

The Developer shall provide appropriate construction signs and post the same on the several construction sites during the period of construction.

4.23 Public Improvements.

In the event the Developer exercises the Option for Phase 2 and Phase 2R, the Agency agrees to use all proceeds from the sale of the CB-1 Office Parcel and the CB-1 Residential Parcel for the construction of the Public Improvements on CB-2 and CB-3 (unless Terminated) in accordance with the Scope of Development and the Schedule of Performance, or to fund the SOM Reserve, and a housing fund or for Agency administrative expenses in connection with the Project. To the extent such proceeds are required to be allocated for such purposes as provided herein, the Agency shall construct or cause to be constructed the Public Improvements on CB-2 and CB-3 (unless Terminated) in accordance with the Scope of Development and the Schedule of Performance. Because of the integrated nature of the development of the Site, and because of the vital importance to the Agency and the Developer that the Public Improvements on such property be constructed and successfully operated as part of the integrated development, the proceeds from the sale of the CB-1 Office Parcel and the CB-1 Residential Parcel shall be placed into a restricted account. The Agency shall provide funds in the following order: first, for development of the Esplanade, second, for development of the West Gardens, third, for development of either a 600 seat Theater or the Forum and Gallery, and fourth, all the remainder for any or all, in such order and amount as the Agency may determine and allocate, the SOM Reserve, the development of the balance of the foregoing

described Cultural Buildings, the development of the balance of the Gardens, development of the Public Improvements on CB-3 (unless Terminated), administrative expenses in connection with the Project and/or a housing fund. The Agency may draw funds from the restricted account and use such funds for any of the purposes described in this Section 4.23 at any time unless the amount remaining in the restricted account after such withdrawal would be insufficient to meet the financial requirements of all purposes described in this Section 4.23 of a higher priority. Any interest which accrues on the restricted account shall become a part of such account. As soon as the Agency has opened the restricted account, the Agency shall notify the Developer of the location and account number of such account. The Agency will promptly notify the Developer of any change in either the location or number of the restricted account.

The Agency and the Developer shall negotiate in good faith in an attempt to reach agreement on the Agency's employment of the Developer as the designer of the Gardens. If, however, the Agency and the Developer have not reached agreement within the sixty (60) days following the Effective Date, then the Agency shall be free to enter into an agreement with another party for the design of the Gardens and the Developer agrees to advance to the Agency the funds necessary to pay any such designer, which advance, with interest from the date of such advance at the prime rate of Bank of America, N.T. & S.A. in effect on the

date of such advance, will be repaid to the Developer either as a credit against the purchase price of the CB-1 Office Parcel if the Developer acquires such Parcel or, in the event the Developer fails to acquire such Parcel, from funds available to the Agency from the Project Area (including unexpended Option Payments, if any) to the extent and at the time such funds are usable for this purpose. In addition, in the event the Agency and the Developer fail to agree on a design contract, the Developer will deliver and convey to the Agency all its right, title and interest to the work product of Lawrence Halprin and Omi Lang referred to in that letter from Lawrence Halprin to the Agency and the Developer dated August 21, 1984, without cost or charge to the Agency.

The Developer shall have the right to review and right to reasonably object to the Agency's Schematic Drawings for the Cultural Buildings. Such reasonable right to object shall be based on whether the Schematic Drawings for the Cultural Buildings are compatible with the Gardens and the Developer's Improvements on the CB-2 Parcel, and shall be specifically limited to a determination of the compatibility of the Cultural Buildings with respect to exterior materials, pedestrian and vehicular access points and delivery and service areas, and that the locations of the Cultural Buildings when determined are compatible with the Gardens. The Agency shall submit the Schematic Drawings and Preliminary Construction Documents to

the Developer no later than the time specified therefor in the Schedule of Performance. The Developer shall notify the Agency in writing of any objection to the Schematic Drawings for the Cultural Buildings within three (3) weeks after submission of such Schematic Drawings to the Developer. The Developer shall have no right to object to the Preliminary Construction Documents for the Cultural Buildings. Developer's failure to notify Agency of Developer's objection to such Schematic Drawings within such time period shall constitute a waiver of Developer's right of objection.

The design and location of the Cultural Buildings and the garage underneath such Cultural Buildings shall be mutually compatible as to support, access and other elements. If the Cultural Buildings are relocated outside of the Cultural Parcels as shown on the Site Plan so as to increase the costs of the garage underneath, the Agency shall bear such additional costs as costs of constructing the Cultural Buildings. Any dispute between the Developer and the Agency respecting the costs which the Agency must bear pursuant to the provisions of this Section 4.23 shall be subject to arbitration as provided for in Section 11.04 hereof.

All of the Improvements to be constructed by the Agency shall be constructed in compliance with those aspects of the Schematic Drawings subject to the Developer's right to object

(as those aspects are finalized pursuant to the provisions of this Section 4.23); provided, however, if certain materials subject to the Developer's right to object are not available for construction, the Agency may substitute materials which are the architectural equivalent as to aesthetic appearance, quality, color, design and texture, subject to the right of the Developer to reasonably object that the substitution does not meet the foregoing standard. Any dispute concerning the preceding sentence shall be submitted to arbitration before a panel of three disinterested architects who are members of the American Institute of Architects and otherwise in accordance with the rules of the American Arbitration Association then in effect. The cost of such arbitration shall be borne equally by the parties. The Developer shall expeditiously respond to a requested change in the Construction Documents, in writing, but in any event within twenty-one (21) days after submission of the request by the Agency. All Public Improvements shall be constructed in a good and workmanlike manner.

The Developer and the Agency shall coordinate the construction of the Developer Improvements and the Public Improvements so that the construction of one will not unreasonably interfere with the construction of the other.

All policies of liability insurance which the Agency carries covering the Public Improvements during the course of

construction thereof shall name the Developer as an additional insured.

4.24 Omitted Intentionally.

4.25 Cost Allocations.

(a) Retail Parcels Located in Other Buildings.

(i) Provisions with Respect to Hotel Building. At the later of (x) sixty (60) days after the Agency enters into a lease of that portion of the CB-1 Retail Parcels located within the Hotel building or (y) thirty (30) days after conclusion of the arbitration referred to below, the tenant of the CB-1 Retail Parcels located within the Hotel building shall pay the Developer, for the Development Costs of construction of the Partial Retail Shells for the retail space in the Hotel building, the amount of the Development Costs which would have been incurred in constructing Retail Shells for such retail space with a quality equal to the quality of free-standing retail buildings on CB-1 if such Retail Shells were constructed independent of the rest of the Hotel building, directly on the ground, less any Development Costs which would have been incurred in completing such Retail Shells. If the Developer exercises the Option with respect to Phase 2, such costs shall be determined as of the time of completion of construction of

the Hotel building and the Developer shall also be paid interest on such Development Costs from the date of completion of the Hotel building until paid at the Lender Rate. If the Developer does not exercise the Option with respect to Phase 2, such Development Costs shall be determined at the date the lease referred to in the first sentence of this subsection 4.25(a)(i) is entered into and no interest shall be paid, except as hereinafter set forth. The owner of the Hotel building shall within thirty (30) days after notification that such lease has been entered into present the Agency with a statement of the Development Costs of the Partial Retail Shells in the Hotel building referred to above. If the Agency or such tenant disputes such amount, the Agency, such tenant and the owner of the Hotel building shall submit to arbitration the determination of such Development Costs in accordance with the provisions hereof relating to arbitration, and the arbitration award shall include interest at the Lender Rate for the period of the arbitration.

(ii) Provisions with Respect to Office Building. At the later of (x) sixty (60) days after completion of the Partial Retail Shells located within the Office building or (y) thirty (30) days after conclusion of the arbitration referred to below, the tenant of the CB-1 Retail Parcels located within the Office building shall pay the Developer for the Development Costs of construction of the Partial Retail Shells in the

Office building the amount of the Development Costs which would have been incurred in constructing Retail Shells for such retail space with a quality equal to the quality of free-standing retail buildings on CB-1 if such Retail Shells were constructed independent of the rest of the Office building, directly on the ground, less any Development Costs which would have been incurred in completing such Retail Shells, determined as of the time such lease is entered into. The owner of the Office building shall within thirty (30) days after completion of such Partial Retail Shells present the Agency with a statement of the Development Costs of the Partial Retail Shells in the Office building referred to above. If the Agency or such tenant disputes such amount, the Agency, such tenant and the owner of the Office building shall submit to arbitration the determination of such Development Costs, in accordance with the provisions hereof relating to arbitration, and the arbitration award shall include interest at the Lender Rate for the period of the arbitration.

(iii) Provisions with respect to Residential Building.

At the later of (x) sixty (60) days after completion of the Partial Retail Shells located within the CB-1 Residential building or (y) thirty (30) days after conclusion of the arbitration referred to below, the tenant of the CB-1 Retail Parcel located within the CB-1 Residential building shall pay the Developer for the Development Costs of construction of the

Partial Retail Shells in the CB-1 Residential building the amount of the Development Costs which would have been incurred in constructing the Retail Shells for such retail space with a quality equal to the quality of free-standing retail buildings on CB-1 if such Retail Shells were constructed independent of the rest of the CB-1 Residential building, directly on the ground, less any Development Costs which would have been incurred in completing such Retail Shells, determined as of the time such lease is entered into. The owner of the CB-1 Residential building shall within thirty (30) days after completion of such Partial Retail Shells present the Agency with a statement of the Development Costs of the Partial Retail Shells in the CB-1 Residential building referred to above. If the Agency or such tenant disputes such amount, the Agency, such tenant and the owner of the CB-1 Residential building shall submit to arbitration the determination of such Development Costs, in accordance with the provisions hereof relating to arbitration, and the arbitration award shall include interest at the Lender Rate for the period of the arbitration.

(b) Incremental Costs - Support.

(i) Garage Roof The Agency shall pay the Developer at the later of (x) sixty (60) days after the Improvements on the CB-2 Parking Parcel have been Completed or (y) thirty

(30) days after conclusion of the arbitration referred to below for the additional Development Costs, if any, of construction of the roof membrane (including any additional appropriate drainage facilities beyond those required for the garage) on the CB-2 Parking Parcel resulting from the fact that, because the Gardens are on top of such roof, the membrane must be strengthened. Upon completion of construction of such membrane (including any additional appropriate drainage facilities beyond those required for the garage) the tenant of the CB-2 Parking Parcel shall present the Agency with a statement of the increased Development Costs of such membrane. If the Agency disputes such amount, such dispute shall be submitted to arbitration in accordance with the provisions hereof relating to arbitration.

(ii) Support of Buildings and Other Improvements.

The owner of any Improvements which are constructed above other Improvements shall pay to the owner of the supporting Improvements the Development Costs for the foundations of such supported Improvements and underground utility facilities as determined by agreement of the parties, or if they are unable to agree as determined by arbitration in accordance with the provisions hereof relating to arbitration, which would have been incurred in constructing foundations and underground utility facilities for the supported Improvements if such supported Improvements were constructed independent of the

supporting Improvements at grade. Such amount shall be paid the later of (x) sixty (60) days after completion of construction of the supporting Improvements or (y) thirty (30) days after conclusion of the arbitration referred to above, but in no event prior to conveyance of the CB-1 Office Building Parcel by the Agency to the Developer. The Agency shall pay for the Development Costs of support, if any, in the Developer's Improvements of the pedestrian bridge over Mission Street and Howard Street, said Development Costs to be determined and paid in the manner set forth in this subsection (ii). The Agency shall pay for the Development Costs of support, if any, in the Developer's Improvements of the major fountain on CB-2 based upon the additional support Development Costs over normal support Development Costs of the fountain if it were built on dirt and mounds of dirt (over the ARE uses located below such fountain), said Development Costs to be determined and paid in the manner set forth in this subsection (ii). The provisions of this Subsection 4.25(b)(ii) shall not apply to (x) Improvements built above the CB-2 Hotel Parcel except in the event the Developer exercises the Option with respect to Phase 2 and builds the Shells of the Improvements located above the CB-2 Hotel Parcel, and (y) the Gardens over the CB-2 Hotel Parcel.

(c) Jessie Street Substation. The Developer shall construct at the Developer's sole cost and expense the Shell of the upper floor of the Jessie Street substation (as shown on

the Site Plan and as described in the Scope of Development), which upper floor will be subleased to the Agency, as provided herein.

(d) Underground Facilities. If the Developer exercises the Option with respect to Phase 2, the following provisions shall apply:

(i) CB-1 Parking Facilities. The Development Costs of the parking facilities on CB-1, including all ramps, and elevators, to be used in common only by the owners or tenants of the CB-1 Hotel Parcel and the CB-1 Office Building Parcel shall be allocated to the tenant of the CB-1 Hotel Parcel to the extent of sixty percent (60%) of such Development Costs and to the owner of the CB-1 Office Building Parcel to the extent of forty percent (40%) of such Development Costs. The Development Costs of the parking facilities on CB-1, including all curb cuts, ramps, and elevators, to be used by the owners or tenants of the CB-1 Residential Parcel shall be allocated to the owner of said Parcel.

(ii) The Development Costs of truck and servicing facilities on CB-1, including all ramps and elevators, shall be allocated among the owners or tenants of the CB-1 Hotel Parcel, the CB-1 Office Building Parcel and the CB-1 Retail Parcels in the same proportion as the number of truck loading bays

required for each use as determined by the Redevelopment Plan except that any additional bays built at the request of any such owner or tenant shall be deemed to be the bay of that owner or tenant.

(iii) The Development Costs of truck and servicing facilities on CB-2, including all ramps and elevators, shall be allocated among the owner or tenants of the CB-2 ARE Parcels, the CB-2 Retail Parcels and the Agency-Retained Parcels in the same proportions as the number of truck loading bays required for each use as determined by the Redevelopment Plan except that any additional bays built at the request of any such owner or tenant shall be deemed to be the bay of that owner or tenant.

(e) As used in this Section 4.25 in connection with the Cultural Buildings and the garage membrane and drainage facilities below the Gardens, Development Costs as defined in Article XII hereof is limited to include only those payments or obligations made or incurred by the Developer in connection with the construction of the relevant Improvements and to exclude any developer's fee.

(f) When the Shells of the ARE Parcels on CB-3 are Completed, the Agency shall pay to the Developer towards the cost of the glass roof on ARE Parcel 4 as indicated on that portion

of the Site Plan referring to CB-3 (i) \$130,000 plus (ii) the lesser of (x) fifty percent (50%) of the Development Costs of such glass roof or (y) \$400,000.

4.26 Special Extensions for Completion of Retail/ARE Construction.

In the event that after the timely commencement of construction of the Improvements on the Retail or ARE Parcels the Developer is unable to timely complete all of said construction in accordance with the time set forth in the Schedule of Performance because the loss of a tenant of at least five thousand (5,000) square feet of gross leasable space or of a lender necessitates the redesign of the portion of the Retail or ARE Improvements affected by such loss, the Developer, provided it shall have given the Agency written notice of said loss within ten (10) days thereof, is hereby granted an extension of the construction completion date specified in the Schedule of Performance as follows: (i) the extension shall be limited to the Retail or ARE space affected by loss; (ii) the extension shall be only for the period necessary to redesign but shall not in any event exceed one hundred twenty (120) days from the date of said notice; (iii) if there is more than one such loss, the extension shall not exceed in the aggregate one hundred twenty (120) days; and (iv) the Developer shall pay to the Agency a rental payment, in addition to any payments

required in any lease covering the space, computed by multiplying the number of square feet involved by the length of extension, by a \$2.00 annual rent figure, e.g.: 5,000 square feet times 120 days times \$2.00 = \$3,333.33. This rental payment shall be promptly paid at the expiration of the extension period. In the event of a dispute under the provisions of this Section, the dispute shall be determined by arbitration in the manner provided in this Agreement. However, arbitration shall not delay payment as computed by the Agency, but the ultimate payment amount is also subject to adjustment in the arbitration.

4.27 Special Extension for Commencement of Hotel Construction.

In the event that prior to the date scheduled for the commencement of the construction of the Phase 1 Hotel Improvements as specified in the Schedule of Performance, (i) the Developer has lost committed financing for such construction; or (ii) has received a construction bid or bids which in the Developer's judgment are unacceptable; and (iii) within ten (10) days of the occurrence of either (i) or (ii), the Developer has given the Agency written notice of the same, specifying the expected period of delay, the Developer is hereby granted an extension of the commencement of construction date of the Phase 1 Hotel Improvements for the expected period of delay

specified in said notice, but not to exceed in the aggregate one hundred twenty (120) days from the notice date.

If by reason of the foregoing the commencement of construction date is extended:

(a) the Developer shall pay the Agency double the Additional Option Payment specified under this Agreement for the period of such delay and such amount shall be paid promptly at the expiration of the commencement of construction extension period; and

(b) the completion of construction date shall be extended by a period of time equal to the period of time by which the commencement of construction date was extended; provided, however, that the Target Date specified in the Lease for the CB-1 and CB-2 Hotel Parcels shall not be extended by reason of this Section.

In the event of any dispute under the provisions of this Section, the same shall be determined by arbitration in the manner provided in this Agreement. However, arbitration shall not delay payment, as computed by the Agency, but the ultimate payment amount is also subject to adjustment in the arbitration.

4.28 Special Extension for Commencement of Phase 2(b) Construction.

4.28.01 After the commencement of Substantial Construction of the Improvements on the CB-1 Office Building Parcel the Developer may extend the Schedule of Performance date for the commencement of all or some of the Improvements on Phase 2(b) in accordance with the provisions of this Section 4.28.

4.28.02 This Section 4.28 shall only apply if not later than thirty (30) days prior to the scheduled commencement date specified in the Schedule of Performance for Phase 2(b) the Developer shall have:

a) received Agency approval of the Final Construction Documents for the construction of the Improvements on Phase 2(b);

b) in accordance with Section 2.09 of this Agreement, supplied the Agency with the requisite evidence of financing of said Phase 2(b) Improvements; and

c) notified the Agency in writing of its election to utilize this Section 4.28 which notice shall contain the following:

- (i) the reason for such election;
- (ii) its reaffirmation that such an extension will not in any way change or affect the scheduled date for completion of construction for said Improvements as set forth in the Schedule of Performance;
- (iii) its new commencement of construction date which shall not be later than six (6) months after the originally scheduled commencement date as set forth in the Schedule of Performance;
- (iv) a general description of how it intends to accomplish the construction with an accelerated schedule within the reduced period of time, including whether or not working daily overtime, weekends or holidays will be required to complete; and
- (v) a general description of the manner, if any, by which the construction of the Agency's Improvements on CB-2 will be affected by such extension.

Said notice shall be accompanied by a certification by the Developer that the construction can be performed within the reduced period of time and that the Improvements can be completed on the completion date specified in the Schedule of Performance subject only to any delay caused by Litigation Force Majeure or Ordinary Force Majeure.

4.28.03 Provided that the Developer has complied with Section 4.28.02, the Developer shall be entitled to a commencement of construction date extension to the date stated in the notice.

4.28.04 Upon completion of construction of the relevant Improvements, the Developer shall furnish to the Agency a reputable contractor's bid or firm proposal showing the Total Development Costs of construction as originally scheduled and a statement of actual Total Development Costs under the accelerated schedule.

4.28.05 The Agency within sixty (60) days after the receipt of Section 4.28.02 notice shall supply the Developer in writing with its estimates of the increased costs for the construction of the Gardens Public Improvements caused by the Developer's accelerated schedule with as much reasonable detail as is then available, to enable the Developer to verify the same. Upon completion of construction of the Gardens the

Agency will supplement its earlier estimate with a construction bid based on construction of the Gardens as originally scheduled in the Schedule of Performance and a statement of actual costs under the accelerated schedule. The parties recognize that the later respective construction bids or proposals may be at variance with earlier estimates, bids or proposals.

4.28.06 Either party may object to the differences between (i) the statement of actual costs submitted by the other party for the Improvements which the other party constructed and (ii) the construction bid submitted by the other party based on construction of said Improvements as originally scheduled on the Schedule of Performance at any time during the thirty (30) days following the receipt of such statement and bid. If no objection is made within such time period, any such objection shall be deemed waived. Any such objection, if not resolved by the parties within thirty (30) days and any dispute over the interpretation of this Section 4.28 or whether or not either party has failed to carry out its obligations hereunder, shall be determined by arbitration under the provisions of Section 11.04 of this Agreement.

4.28.07 Whether or not the Developer objects to the difference in cost shown by the Agency as its increased costs as shown in the latest estimates and/or in its construction bid

and actual costs, the Developer shall pay said difference to the Agency by depositing in a bank account the amount of such increased costs, which may be drawn on by the Agency as required to defray the increase in cost. Said deposit shall be made prior to Developer's new Phase 2(b) commencement of construction date. Any interest on said account shall be for the account of the Developer.

This payment is required because the Agency's construction of the Gardens Public Improvements has been designed and budgeted without any accelerated construction period. If an amount less than the amount paid to the Agency through said bank account is determined by agreement of the parties or by arbitration to be the correct amount of increased cost to the Agency occasioned by the accelerated construction, the Agency shall reimburse the difference to Developer within thirty (30) days after such agreement or arbitrator's decision is final. Said reimbursement shall be made in accordance with Section 1.02.5 of this Agreement. If by agreement of the parties or in the arbitration a greater amount is found to be owing the Agency than the amount deposited, the Developer shall pay said amount to Agency within thirty (30) days after the arbitrator's decision is final.

4.28.08 Any amount of increased Development Costs of the Improvements located on the ARE and/or Retail Parcels

occasioned by the accelerated construction as provided in this Section 4.28 shall not be considered Development Costs for purposes of determining the rent payable to the Agency under the ARE and Retail Leases or ARE/Retail Lease referred to in Section 2.01 hereof. The amount which shall not be so considered shall be either the amount that the parties agree to or the amount determined by the arbitrator in the arbitration proceeding.

4.28.09 An estimate, construction bid or proposal shall be deemed objected to unless approved. In any arbitration provided for in this Section relative to amounts, the supporting data for any such estimates or construction bids or proposals shall be made available to the other upon request to enable the other to analyze the estimate, bid or proposal.

In the event of arbitration, such supporting data shall also be available to the arbitrator.

4.28.10 Developer and Agency agree that in carrying out the provisions of this Section 4.28, each will use all reasonable efforts to coordinate its own construction efforts with the other in a manner and with a time frame that will seek as soon and as much as possible to reduce construction conflicts and to ensure coordination of the construction schedules of the respective parties in view of the necessity of the Developer to

complete the CB-2 ARE/Retail Improvements by the scheduled completion date. However, since such scheduling and coordination problems will have been occasioned by Developer's accelerated schedule, no additional costs occasioned thereby shall be considered Development Costs for purposes of determining the rent payable to the Agency under the ARE and Retail Leases or ARE/Retail Lease referred to in Section 2.01 hereof.

4.28.11 Nothing contained in this Section 4.28 shall inhibit the use of Litigation Force Majeure or Ordinary Force Majeure or other extension periods or cure times otherwise provided for in this Agreement or the ability of the Agency, in its discretion, to grant other extensions of time.

4.29 Access to Saint Patrick's Church

In order to vacate portions of Jessie Street necessary for the development of the Hotel, reasonable alternative access must be provided for parking and truck servicing of the existing Saint Patrick's Church (the "Church"). The Developer agrees to so design and construct the Project that such reasonable alternative access will be provided. Once construction by the Developer on CB-1 has been completed, such access shall be in, over or through Developer Parcels. The Developer also agrees to execute in recordable form such easement or other similar agreements as are necessary to memorialize the Church's

right to such access. The time for the Agency to obtain the vacation of Jessie St. as provided in Section 4.30 below shall be extended by a period of time commencing from the date hereof and ending on the date the Developer presents the Agency with a written proposal describing such alternative access which the Agency in its reasonable judgment determines is reasonable. The Agency shall approve or disapprove any such proposal within two (2) weeks after the same is received by the Agency. The Developer shall be required to proceed with Preliminary Construction Documents for the Hotel during such extension period.

4.30 Extensions Relating to Developable Parcel.

In the event any Parcel other than an EB-2 Parcel is not a Developable Parcel within four (4) months from the Effective Date or, in the case of an EB-2 Parcel, ten (10) months from the Effective Date, all times set forth in the Schedule of Performance relating to such Parcel shall be extended by a period equal to the time between the expiration of such four (4) month or ten (10) month period, as applicable, and the date such Parcel becomes a Developable Parcel.

4.31 Adjustment to Site Plans and Legal Descriptions

It is understood by the parties that the Site Plan attached hereto as Attachment No. 4 and the Site Plans attached

as exhibits to the REA and any Lease may be adjusted as part of the process of approval of Final Construction Documents, and that final Site Plans are subject to approval by the Agency as provided in Section 4.08. At the time of execution of the Attachments hereto, appropriate final Site Plans and conformed legal descriptions will be attached thereto as Exhibits and an amendment to this Agreement will be entered into conforming Attachment No. 4 hereto and all legal descriptions attached hereto.

4.32 Coordination.

The Developer and the Agency agree that in carrying out the provisions of this Article IV, each will use all reasonable efforts to coordinate its own construction efforts with the other in a manner that will seek as much as possible to reduce construction conflicts and to ensure coordination of the construction schedules of the respective parties to accomplish that purpose.

4.33 Storefront Criteria.

The Developer shall submit to the Agency for approval Storefront Criteria as contemplated in Attachment No. 7(B) and (C) and Attachment No. 16 hereof as part of the submission of Preliminary Construction Documents for Phase 2(b). The

approved Storefront Criteria will be attached to Attachment No. 7(B) and (C) as Exhibit I thereto and to Attachment No. 16 as Exhibit E thereto.

ARTICLE V CERTIFICATE OF COMPLETION

5.01 Certificate of Completion and Right to Occupy.

5.01.1 When Issued; Right to Occupy Before Certificate is Issued in Certain Cases. Prior to issuance by the Agency of a Certificate of Completion and Right to Occupy with respect to any Phase, the Developer may not occupy the Improvements on such Phase or any portion thereof except for construction purposes and except as set forth in this Section 5.01 and in Section 2.08 hereof. Within the time specified in Section 5.05 hereof after all construction has been Completed by the Developer on each of: first, Phase 1; second, Phase 2; third, Phase 2R and fourth, Phase 3; in accordance with all the provisions of this Agreement including the Scope of Development and the Schedule of Performance, except for customary punch list items, interior common area finishes, finishes to the CB-2 Pedestrian Walkway (as shown on the Site Plan) and other exterior finishes to the extent the Developer can demonstrate to the Agency's reasonable satisfaction that such finishes would

be damaged during the course of later construction of Tenant Improvements (collectively "Deferred Items") if the Agency receives a bond from a surety company in one hundred and ten percent (110%) of the amount of the cost of completion of such Deferred Items, as reasonably determined by the Agency and in form and substance reasonably satisfactory to the Agency, the Agency shall furnish the Developer with a Certificate of Completion and Right to Occupy in the form of Attachment No. 25 attached hereto, upon written request therefor by the Developer. All Deferred Items must be completed with due diligence, and in the case of Phase 2(b) not later than the "Grand Opening Date" as defined in Attachment No. 7(B) hereto.

The Agency will also issue a Certificate of Completion and Right to Occupy as to all of Phase 2 which has been Completed if the CB-3 ARE/Retail Parcels have been Delayed or Terminated and are not, therefore, Completed and the Developer is not in default with respect to obligations relating to the CB-3 ARE/Retail Parcels. In such event a separate Certificate of Completion and Right to Occupy shall be issued for the CB-3 ARE/Retail Parcels at the appropriate time.

The Agency will also, for the benefit of any Mortgagee who has obtained title to the Developer's leasehold interest demised under such Lease or such Mortgagee's successors or assigns but not the Developer, issue a Certificate of

Completion and Right to Occupy as to the Parcels demised under the ARE/Retail Lease when the same have been Completed, notwithstanding the fact that the Improvements on the CB-1 Office Parcel have not been Completed.

Notwithstanding anything herein to the contrary, if the Developer is not in default with respect to Phase 2 and delivers to the Agency a letter of credit in an amount equal to one hundred fifteen percent (115%) of the cost of completing the Improvements (exclusive of the cost of Tenant Improvements) on Phase 2 exclusive of the CB-1 Office Parcel, (except the CB-3 ARE/Retail Parcel if Delayed or Terminated) in accordance with the Scope of Development, as reasonably determined by the Agency, issued by a bank reasonably satisfactory to the Agency and in form and substance reasonably satisfactory to the Agency, and if all construction to be completed by the Developer on the CB-1 Office Parcel is Completed, the Agency will issue a Certificate of Completion and Right to Occupy with respect to the CB-1 Office Parcel. If the issuance of a Certificate of Completion and Right to Occupy on the CB-1 Retail Parcels, CB-2 ARE Parcels, CB-2 Retail Parcels or CB-3 ARE/Retail Parcel is delayed due to an event of Force Majeure or Litigation Force Majeure, the Developer shall not occupy any portion of the CB-1 Office Parcel without posting the letter of credit referred to above. The Agency shall have the right to draw the entire amount of the letter of credit upon the occur-

rence of an Event of a Default relating to the Developer's obligation to construct the Improvements on Phase 2 exclusive of the CB-1 Office Parcel in accordance with this Agreement; provided, however, that the Agency shall have no right to draw the letter of credit because of the Agency's termination of the ARE/Retail Lease if such termination is by reason of expiration of an Ordinary Force Majeure or a Litigation Force Majeure extension period.

If the Developer purchases all of the EB-2 Parcels, the Agency will issue a Certificate of Completion and Right to Occupy with respect to the EB-2 Office Building Parcel when the Improvements thereon have been Completed and Substantial Construction has started on the EB-2 Residential Parcel and vice versa.

The Agency will permit occupancy of the Hotel (but not issue a Certificate of Completion and Right to Occupy with respect thereto) for a period sixty (60) days prior to the date the Hotel is reasonably anticipated to be completed for 75% occupancy for the sole purposes of installing furniture, fixtures and equipment, staffing and training and similar purposes, but not for use by the public. The Agency will permit occupancy of the Hotel for use by the public (but not issue a Certificate of Completion and Right to Occupy with respect thereto) on the date the Hotel is completed for 75% occupancy

: and has received temporary certificates of occupancy from the
City.
:

The Agency will permit occupancy (but not issue a Certificate of Completion and Right to Occupy with respect thereto) of floors in the office building on the CB-1 Office Building Parcel which have received temporary certificates of occupancy from the City upon receipt by the Agency of the letter of credit referred to in the fourth paragraph of this Subsection 5.01, if required thereby. If the Agency has permitted occupancy pursuant to the foregoing provision and the ARE/Retail Lease is terminated solely due to expiration of an Ordinary Force Majeure extension period or a Litigation Force Majeure extension period, the Developer shall have the right to complete the Office Building on CB-1 and when the Office Building has been Completed, request a Certificate of Completion and Right to Occupy with respect thereto.

The Agency's issuance of any Certificate of Completion and Right to Occupy does not relieve the Developer or any other person or entity from any and all City and County of San Francisco requirements or conditions to occupancy of any Improvement, which requirements or conditions must be separately complied with.

5.02 Residential Condominiums.

The Agency shall also furnish the Developer with a Certificate of Completion and Right to Occupy for individual condominiums on the Residential Parcels as they are completed and ready to use if the Developer is not in default under this Agreement with respect to such condominiums and provided that such condominiums are then salable under the requirements of the California Department of Real Estate.

5.03 No Further Construction Liability.

After the recordation of the Certificate of Completion and Right to Occupy for a Developer Parcel or portion thereof, any party then owning or thereafter purchasing, leasing, or otherwise acquiring any interest therein shall not (because of such ownership, purchase, lease, or acquisition) incur any obligation or liability under this Agreement relating to the construction of Improvements on such Parcel or portion thereof, except for completion of Deferred Items as provided herein.

5.04 Form and Effect of Certificate.

The Certificate of Completion and Right to Occupy for the improvement and development of a Developer Parcel shall be in such form as to permit it to be recorded in the Recorder's Office of the City and County of San Francisco. Such Certifi-

cate of Completion and Right to Occupy shall be, and shall so state, a conclusive determination of completion in accordance with this Agreement (except for completion of Deferred Items as provided herein) and of the right to occupy the Improvements required by this Agreement upon that Developer Parcel.

Such Certificate of Completion and Right to Occupy shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the Improvements, or any part thereof. Such Certificate of Completion and Right to Occupy is not a notice of completion as referred to in Section 3093 of the California Civil Code, and is not in lieu of a certificate of occupancy to be issued by the City.

5.05 Failure to Issue.

If the Agency refuses or fails to furnish a Certificate of Completion and Right to Occupy after written request from the Developer, the Agency shall, within thirty (30) days of such written request, provide the Developer with a written statement of the reasons the Agency refused or failed to furnish a Certificate of Completion and Right to Occupy. The statement shall also contain the Agency's opinion of the action the Developer must take to obtain a Certificate of Completion and Right to Occupy. If the reason for such refusal is confined to the

immediate availability of specific items of materials for landscaping of a Developer Parcel, the Agency will issue its Certificate of Completion and Right to Occupy upon the posting of a bond or unconditional letter of credit by the Developer with the Agency in an amount representing a fair value, as determined by the Agency, of the landscaping work not yet completed in form and substance reasonably satisfactory to the Agency.

ARTICLE VI ENCUMBRANCES AND LIENS

6.01 Encumbrances and Liens.

Prior to the recordation of a Certificate of Completion and Right to Occupy on any Deeded Developer Parcel, the Developer shall not place or allow to be placed on such Deeded Developer Parcel, or on any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Agreement; and the Developer shall remove, or shall have removed, any levy or attachment made on the Deeded Developer Parcels (or any portion thereof), or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amounts of any tax, assessment, encumbrance or lien nor to limit the remedies available to the Developer in respect thereto,

provided such contest does not subject the Deeded Developer Parcels, or any portion thereof, to forfeiture or sale.

6.02 Mortgages on Deeded Developer Parcels.

6.02.1 No Encumbrances Except Mortgages, Deeds of Trust, Sales and Leases-Back or Other Financing for Development.

(a) Mortgages, deeds of trust, sales and leases-back, and any other form of conveyance required for any reasonable method of financing whether by express agreement or operation of law, are permitted before recordation of a Certificate of Completion and Right to Occupy for the construction of the Improvements on a Deeded Developer Parcel (or in the case of condominium units, on each such unit) only for the purpose of securing funds to be used for Total Development Costs for the Deeded Developer Parcels and in the case of Phase 2, the balance of Phase 2. The Developer shall notify the Agency in advance of any mortgage, deed of trust, sale and leaseback, or other form of conveyance for financing, if the Developer proposes to enter into the same before recordation of a Certificate of Completion and Right to Occupy for all Improvements on the Deeded Developer Parcels, whether by voluntary act of the Developer or otherwise.

(b) Prior to issuance of a Certificate of Completion and Right to Occupy with respect to the CB-1 Office Building Parcel, the Developer shall not enter into any agreement creating a mortgage, deed of trust, sale and leaseback or other form of conveyance, on the CB-1 Office Parcel, securing a loan for more than eighty percent (80%) of the Budget of Total Development Costs of the CB-1 Office Parcel less twenty percent (20%) of the Budget of Total Development Costs for the balance of Phase 2 (except for the CB-3 ARE/Retail Parcels if Delayed or Terminated); provided, however, that the amount secured by the CB-1 Office Parcel and not secured by the balance of Phase 2 may be increased by twenty percent (20%) of the Budget of Total Development Costs for the ARE, Retail and CB-2 Parking Parcels when a leasehold mortgage permitted by Attachment No. 7(B) has been recorded to finance such Total Development Costs; provided, that, in the event that the Developer obtains a single Mortgage encumbering all of Phase 2, then any such Mortgage may secure a loan for not more than eighty percent (80%) of the Budgeted Total Development Costs of all of Phase 2; and provided, further, that the amount secured by the CB-1 Office Parcel may be increased by Two Dollars (\$2.00) for every One Dollar (\$1.00) of the amount of a letter of credit posted by the Developer in favor of the Agency, issued by a bank selected by Developer and having assets of at least One Billion Dollars (\$1,000,000,000), in form and substance reasonably satisfactory

to the Agency to secure the Developer's obligations to complete the Phase 2 Improvements.

(c) Prior to issuance of a Certificate of Completion and Right to Occupy on Phase 3, the Developer shall not enter into any agreement creating a mortgage, deed of trust, sale and leaseback or other form of conveyance on Phase 3, securing a loan for more than eighty percent (80%) of the Budget of Total Development Costs thereof; provided, however, that the amount secured by Phase 3 may be increased by Two Dollars (\$2.00) for every One Dollar (\$1.00) of the amount of a letter of credit posted by the Developer in favor of the Agency, issued by a bank selected by the Developer and having assets of at least One Billion Dollars (\$1,000,000,000), in form and substance reasonably satisfactory to the Agency to secure the Developer's obligations to complete the Phase 3 Improvements.

(d) Prior to issuance of a Certificate of Completion and Right to Occupy on the CB-1 Residential Parcel, the Developer shall not enter into any agreement creating a mortgage, deed of trust, sale and leaseback or other form of conveyance, on the CB-1 Residential Parcel, securing a loan for more than eighty percent (80%) of the Budget of Total Development Costs thereof; provided, however, that the amount secured by the CB-1 Residential Parcel may be increased by Two Dollars (\$2.00) for every One Dollar (\$1.00) of the amount of a letter of credit

posted by the Developer in favor of the Agency, issued by a bank selected by Developer and having assets of at least One Billion Dollars (\$1,000,000,000), in form and substance reasonably satisfactory to Agency to secure the Developer's obligations to complete the CB-1 Residential Parcel Improvements.

(e) For all purposes of this Article VI each Budget of Total Development Costs shall be deemed (i) increased by the amount, if any, by which the budget approved by a construction lender on a parcel exceeds the Budget determined in accordance with Section 2.09(a)(v) hereof and by any non-normal and non-routine additive change orders and (ii) decreased by any non-normal and non-routine deductive change orders.

(f) In the event that Certificates of Completion and Right to Occupy are issued on individual condominium units, the restrictions contained in (d) above shall terminate as to any condominium unit upon the issuance of a Certificate of Completion and Right to Occupy with respect thereto.

(g) The Agency agrees within thirty (30) days after request by Developer to give to any holder or proposed holder of a mortgage, deed of trust, sale and leaseback or other form of conveyance a statement in recordable form as to whether such mortgage, deed of trust, sale and leaseback or other form of conveyance is permitted hereunder to secure all of the advances

and indebtedness stated by the terms of the applicable financing documents. Such a statement shall estop the Agency from asserting otherwise but shall create no liability on the Agency, and if the same states that such conveyance is not permitted shall set forth the reasons therefor in reasonable detail. In making a request for such statement, the Developer shall furnish the Agency copies of such of the financing documents as are required to permit the Agency to make the determination whether such conveyance is permitted hereby.

(h) In the event that the Developer has committed an Event of Default with respect to a Parcel as to which a letter of credit was issued, pursuant to this Section 6.02.1 the total amount of such letter of credit issued to the Agency pursuant to this Section 6.02.1 may be drawn upon by the Agency to reimburse the Agency for all damages incurred by the Agency on account of such Event of Default, including but not limited to any amount used to pay remaining Development Costs relating to such Parcel and/or to purchase any mortgage encumbering such Parcel, provided, however, that in the event of the occurrence of an Event of Default with respect to the ARE/Retail Lease, the Agency shall be entitled for such purposes to draw down on the letter of credit issued with respect to any Parcel in Phase 2. Any letter of credit issued pursuant to this Section 6.02.1 with respect to a Parcel shall, to the extent not previously drawn as provided herein, be returned by the Agency to

the Developer upon issuance by the Agency of a Certificate of Completion and Right to Occupy with respect to such Parcel.

(i) The word "mortgage" includes "deed of trust" and the words "mortgage" and "deed of trust" as used herein include all other appropriate modes of conveyance of the Deeded Developer Parcels for financing real estate acquisition, construction and land development.

(j) The Developer shall make good faith efforts to ensure that the financing documents provide that any insurance proceeds from fire and extended coverage or other insurance shall be used for the reconstruction and restoration of the Improvements before repaying any part of the outstanding indebtedness secured by the mortgage, deed of trust or other security interest.

(k) Notwithstanding any provision of this Agreement to the contrary, in the event of a breach or default hereunder by the Developer with respect to a Deeded Developer Parcel or under any mortgage or deed of trust authorized by this Agreement and encumbering said Parcel, the holder of such mortgage or deed of trust shall have the right at its option to advance such funds as are necessary in the holder's reasonable judgment to protect its security or to cure or remedy or commence to cure or remedy any such default, and any mortgage

or deed of trust otherwise authorized by this Agreement may secure any such advances.

(1) Any Mortgage must provide that in the event that prior to the recordation of a Certificate of Completion and Right to Occupy for such Parcel, the holder thereof forecloses such Mortgage or obtains a deed in lieu of such foreclosure after title to a Deeded Developer Parcel has revested in the Agency as provided in Section 9.03.7 hereof, the Agency shall have the right, at its option, to reenter and take possession of the Deeded Developer Parcel as to which foreclosure occurred, with all Improvements thereon, and to terminate and revest in the Agency the estate theretofore vested in such holder, or successors and assigns by reason of the failure of a condition subsequent, if after such foreclosure sale any of the following shall occur:

(x) The holder or purchaser at a foreclosure sale after assuming the obligation to complete construction of the Improvements on such Deeded Developer Parcel fails to proceed with completion of such improvements with due diligence for a period of three (3) months after written notice thereof from the Agency; or

(y) Any transferee of such holder or purchaser at foreclosure sale fails to complete construction of the

Improvements on such Deeded Developer Parcel as provided herein for a period of three (3) months after written notice thereof from the Agency; or

(z) Such holder or its successors and assigns fails to permit the Agency to purchase such mortgage on such Parcel as provided in Section 6.02.4 hereof for a period of three (3) months after written notice thereof from the Agency.

Upon exercise of the power of termination contained in this subsection 6.02.1(1) the resale provisions of Section 9.03.7 hereof shall apply to the same extent as if the Agency had exercised a power of termination under Section 9.03.7, except that payment shall be made to the holder or its successor or assigns, if applicable, in lieu of to the Developer.

6.02.2 Holder Not Obligated to Construct Improvements.

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement or any party who purchases any Deeded Developer Parcel at a foreclosure sale (or by deed in lieu of such foreclosure) shall in no way be obligated by the provisions of this Agreement to construct or complete the construction of Improvements, or to guarantee such construction or completion; nor shall any covenant in the deed for a Deeded Developer Parcel be construed so to obligate such holder or party; provided that nothing in this Agreement shall

be deemed to permit or authorize any such holder or party to devote the Deeded Developer Parcel to any uses, or to construct any Improvements thereon, other than those uses or Improvements provided for or authorized by this Agreement.

6.02.3 Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Prior to recordation of a Certificate of Completion and Right to Occupy on any Deeded Developer Parcel, whenever the Agency shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer hereunder with respect to such Parcel, the Agency shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement who has previously made a written request to the Agency therefor; provided, however, that delivery or non-delivery of said notice shall in no way affect the validity of the notice sent to the Developer as between the Developer and the Agency for purposes of the right to terminate the Developer's rights under this Agreement unless cured by the holder as hereinafter provided. Each such holder shall (insofar as the rights of the Agency are concerned) have the right at its option, within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or

continue the construction or completion of the Improvements (beyond the extent necessary in the holder's reasonable judgment to conserve or protect the Improvements or construction already made) without first having expressly assumed the Developer's obligations to the Agency with respect to the Parcel encumbered by the mortgage or deed of trust by written agreement reasonably satisfactory to the Agency, subject to the limitations of the immediately following paragraph.

Upon such assumption such holder shall have the benefit of the provisions of Section 13.01(b) hereof as if such holder were a general partner of the Developer. Upon assuming the Developer's obligations, such holder shall only be required to exercise due diligence in completion of the construction of the Improvements but shall not be required to complete construction of the Improvements within the dates set forth in the Schedule of Performance. Upon transfer by any such assuming holder to any transferee, such holder shall be relieved of any liability hereunder. Any transferee of any purchaser at a foreclosure sale, or transferee from a grantee of a deed in lieu of foreclosure, however, must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien or title of such holder relates, except that such transferee shall only be required to exercise due diligence in completion of construction of the Improvements but shall not be required to complete construction of the Improvements within the dates set forth in the Schedule of Performance, and submit evidence

satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations. As long as any such holder or transferee is completing the Improvements with due diligence, the Agency agrees not to exercise its power of termination referred to in Section 9.03.7 hereof, but if the holder or transferee fails to commence and complete such construction with due diligence, the Agency may exercise such remedies. Any such assuming holder or transferee properly completing such Improvements shall be entitled, upon written request made to the Agency, to a Certificate of Completion and Right to Occupy from the Agency with respect to such Improvements to the same extent and in the same manner as the Developer would have been entitled had the Developer not defaulted.

6.02.4 Failure of Holder to Complete Improvements. In any case where, six (6) months after an Event of Default by the Developer in completion of construction of Developer Improvements under this Agreement, the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon any portion of the Deeded Developer Parcels has not obtained title to such portion and has not exercised the option afforded in Section 6.02.3 hereof to construct, or if it undertakes construction or completion of the Improvements but does not complete such construction within such period as agreed upon by the Agency (which period shall be at least as long as the period prescribed for such construction or completion with

respect to the Developer in the Schedule of Performance as approved by the Agency) (a "Holder's Event of Default"), and such Holder's Event of Default shall not have been cured within sixty (60) days after demand by the Agency to do so, then, so long as such option afforded in Section 6.02.3 hereof remains unexercised or such Holder's Event of Default remains uncured the Agency may, but shall have no obligation to, purchase the mortgage, deed of trust or other security interest, or the interest of any such lessor or grantee, by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the Agency thereafter forecloses such mortgage or deed to trust, the provisions of Section 9.03.7 hereof shall apply as if the Agency had exercised the power of termination set forth therein. All mortgage, deed of trust or other security instruments made prior to completion of Improvements shall so provide.

If the ownership of such portion has vested in the holder but said holder has not exercised said option to construct or has so elected but not completed construction within the period specified above, the Agency, if it so desires, shall be entitled to a conveyance from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following:

(i) the unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder;

(ii) all costs and expenses with respect to enforcement or foreclosure or other means of obtaining to title;

(iii) the expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management, ownership or operations of that portion of the Developer Parcels;

(iv) the Development Costs of any Improvements made by such holder; and

(v) an amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts in (i), (ii), (iii) and (iv) hereto become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Agency,

less all appropriate credits, including those resulting from collection and application of rentals and other income received prior to such purchase by the Agency.

6.02.5 Right of the Agency to Cure Mortgage, Deed of Trust, Other Security Interest, Leaseback or Other Convey-

ance for Financing Default. The financing documents on the Deeded Developer Parcels shall contain provisions that copies of all notices of default under financing documents must be sent to the Agency. Neither the Agency's right to cure any such default nor the exercise of such right by the Agency shall constitute or be construed to constitute an assumption by the Agency of the Developer's liability under the financing documents. In the event of a default or breach by the Developer of a mortgage, deed of trust or other security instrument with respect to the Deeded Developer Parcels, or any portion thereof, prior to the completion of the Improvements thereon, the Agency may upon fifteen (15) days prior written notice (unless cured within such fifteen (15) day period), but shall not be obligated to, cure the default prior to the expiration of ninety (90) days following the recordation of a notice of default. In such event, the Agency shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the Agency in curing the default. The Agency's power of termination described in Section 9.03.7 hereof shall also secure the Agency's right to reimbursement of such costs and disbursements. The Developer shall give the Agency written notice of any such default or breach, and every mortgage or deed of trust or other security instrument made prior to the completion of the Improvements with respect to any Deeded Developer Parcel by the Developer shall so provide and shall also contain the Agency's option to cure as above set forth. For the purpose of this and other sections of this Agreement,

the term "holder" in reference to a mortgage or deed of trust shall be deemed to include "beneficiary of deed of trust", any insurer or guarantor of any obligation or condition secured by such mortgage or deed of trust, including but not limited to the Federal Housing Commissioner, the Administrator of Veterans Affairs, and any successor in office of either of such officials.

6.03 Right of the Agency to Satisfy Other Liens on
the Property After Title Passes.

After the conveyance of fee title to any Deeded Developer Parcel and prior to the recordation of a Certificate of Completion and Right to Occupy for construction and development of such Parcel, and upon five (5) days' prior written notice to the Developer given after the Developer has had a reasonable time to challenge, cure or satisfy (and has failed to) any liens or encumbrances on any portion of any such Deeded Developer Parcel, the Agency shall have the right to satisfy any such liens or encumbrances (except any Mortgage as to which Section 6.02.5 shall apply), at the option of the Agency; provided, however, that nothing in this Agreement shall require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Developer Parcels (or any portion thereof) to forfeiture or sale. Any

sums paid by the Agency pursuant to this Section 6.03 shall be reimbursed to the Agency by the Developer upon demand, together with interest until paid at a per annum rate equal to the prime rate announced from time to time by Bank of America, N.T. & S.A. plus two percent (2%).

6.04 Encumbrances on Leased Developer Parcels.

Encumbrances permitted on the Leased Developer Parcels shall be as set forth in the Leases.

ARTICLE VII LAND USES

7.01 Uses.

The Developer covenants and agrees on its behalf and on behalf of its successors and assigns that the Developer Parcels and the Improvements thereon shall be devoted only to the uses hereinafter set forth.

7.01.1. All Developer Parcels and the Improvements thereon shall be devoted only to the uses permitted by the Redevelopment Plan and the Declaration of Restrictions, as further limited by Sections 7.01.2 and 7.01.3 hereof.

7.01.2. As specified in this Agreement, including the Scope of Development, the REA, the EB-2 REA, the

Residential/Retail REA and the Grant Deeds, the Deeded Developer Residential Parcels on CB-1 and EB-2 and the Improvements thereon shall be used only for residential uses with related parking and incidental retail, and the Deeded Developer Office Building Parcels on CB-1 and EB-2 and the Improvements thereon shall be used only for office uses with related parking and incidental retail. A health club, a museum and a theater are also permitted as uses on EB-2.

7.01.3. Leased Developer Parcels and the Improvements thereon shall only be used for the uses specified in this Agreement, including the Scope of Development, the respective Leases covering such Parcels and the REA as it relates to the CB-1 Hotel Parcel and the CB-1 Retail Parcels.

7.02 Obligation to Refrain from Discrimination.

The Developer covenants and agrees on its behalf and on behalf of its successors and assigns and all persons claiming under or through it:

(a) There shall be no discrimination against or segregation of any person, or group of persons, on account of sexual orientation, sex, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Developer

Parcels, or any part thereof, and the Developer itself (or any person claiming under or through it) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Developer Parcel or any part thereof; provided, however that the Developer shall not be in default of its obligations under this provision if, where there is a judicial action or arbitration involving a bona fide dispute over whether the Developer is engaged in discriminatory practices, the Developer promptly acts to satisfy any judgment or award against the Developer.

(b) All deeds, leases or contracts relating to the use or occupancy of any Parcel shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

- (i) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sexual orientation, sex, marital status, race, color, religion, creed, national origin, or ancestry in the sale, lease,

sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

- (ii) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons on account of sexual orientation, sex, marital status, race, color, religion, creed, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee himself or herself, or any person claiming under or through him or

her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants or vendees in the land herein leased."

- (iii) In contracts for use and occupancy or relating to the sale, transfer or leasing of land: "There shall be no discrimination against or segregation of, any person, or group of persons on account of sexual orientation, sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

(c) All advertising (including signs) for sale and/or rental of the whole or any part of the Developer Parcels shall include the legend, "An Open Occupancy Building" in type or lettering of easily legible size and design. The word

"Project" or "Development" may be substituted for the word "Building" where circumstances require such substitution.

(d) The Developer shall comply with the regulations issued by the Secretary of Housing and Urban Development set forth in 37 C.F.R. 22732-3 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures undergoing federally assisted construction or rehabilitation and require the elimination of lead-based paint hazards.

7.03 Effect and Duration of Covenants.

7.03.1. The covenants and agreements established in Sections 7.01 and 7.02 of this Article VII shall, without regard to technical classification and designation run with the land and be binding on (i) the Developer (ii) in the case of assignment or transfer hereunder, after the date of such assignment, any successor to or of the Developer Parcels or any part thereof or interest therein, (iii) any and all persons claiming through or under the Developer, and (iv) any party in possession or occupancy of the Developer Parcels or any part thereof.

7.03.2. It is intended and agreed that the agreements and covenants set forth in this Article VII shall run only in

favor of the following persons and entities who shall be deemed beneficiaries thereof:

(a) All of Section 7.01: the Agency, its successors and assigns;

(b) Section 7.01.1: the City and any owner or owners of any property in the Project Area;

(c) All of Section 7.02: the Agency, its successors and assigns, the City and the United States; and

(d) Section 7.02(a), (b) and (c): any owner or owners of any property in the Project Area.

Only the parties designated in (a), (b), (c) and (d) above may enforce the said covenants and agreements set forth in this Article VII and then only as to those as to which they are beneficiaries as provided herein; however the Agency, its successors and assigns, the City and the United States shall be deemed beneficiaries, both for and in their own right and also for the purpose of protecting the interest of the community and other parties in whose favor or for whose benefit such agreements and covenants have been provided.

7.03.3.

(a) The beneficiaries specified in Section 7.03.2 hereof shall have the right, in the event of any breach of any such agreements or covenants of which they are beneficiaries, as specified in Section 7.03.2 above, to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of agreements or covenants to which it or any other beneficiaries of such agreements or covenants may be entitled.

(b) The agreements and covenants that run in favor of the Agency and the City and the United States shall do so for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Agency or the City or the United States has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate.

7.03.4. The covenants contained in Sections 7.02 (a) and (b) shall remain in effect in perpetuity. The covenants in Section 7.01.1 and Section 7.02(d) shall remain in effect for so long as the Redevelopment Plan and Declaration of Restrictions are in effect. The covenants contained in Section 7.01.2 shall remain in effect for so long as the Redevelopment Plan and Declaration of Restrictions are in effect as to Improve-

ments and Parcels covered thereby, the REA, the EB-2 REA and the CB-1 Residential/Retail REA, whichever is longer. The covenants contained in Section 7.01.3 shall, as to each Lease, remain in effect for so long as such Lease is in effect.

ARTICLE VIII ASSIGNMENT, TRANSFER AND CHANGES IN OWNERSHIP,
MANAGEMENT AND CONTROL OF DEVELOPER.

8.01 Assignment of Agreement and Significant Change.

(a) Because law prohibits speculation in land prior to the completion of the Improvements on any land contained in the Developer Parcels, and because the Agency has a paramount interest in the identity of the Developer with whom it is contracting and the persons or entities in control of the Developer, the restrictions on transfers and Significant Changes and the notification requirements hereinafter set forth, are imposed.

(b) Except as provided in this Section 8.01, the Developer shall not sell, assign or transfer (collectively, "Transfer") or encumber this Agreement or any of the rights of Developer hereunder or suffer or permit a Significant Change to occur, without the prior written consent of the Agency, which may be withheld in its sole discretion.

(c) Notwithstanding the provisions of the foregoing paragraph, the Developer may without necessity of consent by the Agency transfer its interest under this Agreement as to Phase 1 or as to one or more entire Parcels within Phases 2, 2R and 3 to any Permitted Transferee; provided, however, that (x) no Transfer shall affect the application to any Parcel of the provisions of Sections 5.01 and 6.02, (y) no Transfer shall in any way impair or diminish the obligations or ability of Developer to perform hereunder, and (z) the DDA Guaranty is modified at the time of the Transfer to directly guarantee the performance of the transferee of the obligations of the Developer under this Agreement to the extent of the interest under this Agreement being transferred.

(d) The Developer covenants and agrees, and any transferee of the Developer and any new partners of the Developer shall covenant and agree, that any proceeds actually realized by the Developer from the Transfer of any interest in this Agreement with respect to Phase 1, Phase 2R or to any Parcel in Phases 2 and 3 or the admission of new partners in the Developer or the sale of any partnership interest of the Developer in Phase 1, Phase 2R or any Parcel in Phases 2 and 3 prior to the issuance by the Agency of a Certificate of Completion and Right to Occupy with respect to such Phase or Parcel shall be utilized exclusively for and shall not exceed (x) Total Development Costs relating to the Phase or Parcel in

question and (y) transaction expenses occurred in any such transfer.

(e) Whether or not any consent of the Agency is required by this Section:

(i) Any proposed transferee of the Developer by instrument in writing, shall, for itself, and its successors and assigns, and expressly for the benefit of the Agency, have expressly assumed all of the obligations of the Developer under this Agreement to the extent of the interest under this Agreement being transferred and agreed to be subject to all of the conditions and restrictions to which the Developer is subject; provided, however, that the fact that any transferee of this Agreement, or any other successor interest whatsoever to this Agreement, whatsoever the reason, shall not have assumed such obligations or so agreed, shall not unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Agency, relieve or except such transferee or successor of or from such obligations, conditions, or restrictions, or deprive or limit the Agency of or with respect to any rights or remedies for control with respect to this Agreement, the Developer Parcels or the construction of the Improvements; it being the intent of this, together with other provisions of this Agreement, that, to the fullest extent permitted by law and equity and excepting only in the manner

and to the extent specifically provided otherwise in this Agreement, no transfer of this Agreement, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive the Agency of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Developer Parcels in the construction of the Improvements that the Agency would have had, had there been no such transfer or change; provided, that any partners of any partnership which is a successor of the Developer's interest under this Agreement shall be entitled to the benefits of Section 13.01 hereof;

(ii) There shall be submitted to the Agency a certificate from transferor and transferee that states (x) the percentage interest transferred, and (y) that the transfer complies in all respects with the provisions of this Section 8.01; and

(iii) The Developer shall continue to have primary responsibility for and control over the implementation of the Developer's obligations under this Agreement either as managing general partner of a transferee or pursuant to a management agreement entered into between the Developer and Transferee at the time of the transfer.

(f) In the absence of specific written agreement by the Agency to the contrary, no transfer or approval by the Agency thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or the Leases or otherwise with respect to any term, covenant and condition of this Agreement, including, but not limited to, the construction of the Improvements, or any of its obligations with respect thereto.

8.02 Notification of Significant Changes.

The Developer shall promptly notify the Agency of any and all Significant Changes in the ownership of the Developer or the respective parents of the partners of the Developer or its partners whether legal or beneficial, or with respect to the identity of the parties in control of the Developer or its partners or the degree thereof, and of the admission of any new partners of Developer of which it or any of the officers of the partner have been notified or otherwise have knowledge or information. The Developer shall, at such time or times as the Agency may request, furnish the Agency with a complete statement, subscribed and sworn to by the Secretary or Assistant Secretary of any general partner of the Developer, setting forth all of the partners of the Developer and the extent of their respective holdings, and in the event any other parties have a beneficial interest in the Developer, their names and

the extent of such interest, all as determined or indicated by the records of the Developer, by specific inquiry made by the Secretary of all parties who on the basis of such record or corporate records own ten percent (10%) or more of the Developer, and by such other knowledge or information as the Secretary may have. Such lists, data and information shall in any event be furnished to the Agency immediately prior to delivery of the leasehold and fee interests to the Developer and as a condition precedent thereto, and annually thereafter on the date of such delivery.

8.03 Prohibition Against Transfer of the Deeded
Developer Parcels, the Buildings or Structures
Thereon.

Except as allowed by Article VI hereof and except to the extent Transfer is permitted by Section 8.01 hereof, prior to recordation of a Certificate of Completion and Right to Occupy with respect to a Deeded Developer Parcel, the Developer shall not, except as permitted by this Agreement, make any total or partial sale, transfer, conveyance or assignment of the whole or any part of such Parcel or the Improvements thereon, or suffer or permit any Significant Change to occur without the prior written approval of the Agency, which may be withheld in its sole discretion. This prohibition and the prohibitions of Section 8.01 hereof shall not apply subsequent to the

recordation of a Certificate of Completion and Right to Occupy for such Parcel. This prohibition shall not be deemed to prevent (i) the granting of easements or permits to facilitate the development of such Parcels or (ii) granting any security interest expressly permitted by this Agreement for financing the acquisition and development of such Parcels, provided that the terms of this Agreement are complied with. This prohibition shall not apply to a sale of such Parcels at foreclosure (or a conveyance thereof in lieu of foreclosure) pursuant to a foreclosure thereof by a lender permitted under Section 6.02.1 hereof.

The foregoing prohibition shall not apply to an agreement which may be entered into between the Developer and others prior to the issuance of a Certificate of Completion and Right to Occupy for the sale, transfer or conveyance of any part of the Site subsequent to the recordation of a Certificate of Completion and Right to Occupy covering such portion of the Site.

In the event that, contrary to the provisions of this Agreement, the Developer does assign this Agreement or any of the rights herein or does sell, transfer, convey or assign such Deeded Developer Parcel or the Improvements thereon prior to the recordation of an appropriate Certificate of Completion and Right to Occupy, in addition to all other remedies provided

herein and by law, the Agency shall be entitled to increase the purchase price paid by the Developer for the applicable part of such Parcels by the amount that the consideration payable for such sale, transfer, conveyance or assignment is in excess of the purchase price paid by the Developer, plus the cost to the Developer of Total Development Costs relating to the Parcel(s) sold, transferred or conveyed, including carrying charges and costs related thereto. The consideration payable for such sale, transfer, conveyance or assignment (to the extent it is in excess of the amount so authorized) shall belong and be paid to the Agency.

In the absence of specific written agreement by the Agency to that effect, no sale, transfer, conveyance or assignment of a Parcel prior to recordation of a Certificate of Completion and Right to Occupy for the Parcels shall be deemed to relieve the Developer or any other party from any obligations under this Agreement.

8.04 Agency Review of Proposed Transfers and Significant Changes. At any time, the Developer may submit a request to the Agency for the approval of the terms of a proposed sale, assignment, transfer or encumbrance of this Agreement or any of the rights of Developer hereunder, or of a Significant Change (all of the foregoing being collectively referred to herein as a "proposed transfer") or for a decision by the Agency as to

whether in its opinion a proposed transfer requires Agency consent under the provisions of this Article VIII. Within thirty (30) days of the making of said request, the Agency shall notify the Developer in writing of the Agency's decision with respect to the proposed transfer. If the Agency approves the terms of the proposed transfer, or determines that the proposed transfer does not require its consent, as applicable, the Agency shall thereafter accept the proposed transfer. If the Agency disapproves the proposed transfer, and/or determines that it requires the consent of the Agency as applicable, it shall specify the grounds for its disapproval, its reason that consent is required, or both, as applicable. Where the request includes a determination as to whether it is the decision of the Agency that its consent to a proposed transfer is required, the Developer is not bound by the decision of the Agency that such consent is required. If the Agency fails to respond to any such request within thirty (30) days of the making thereof, the request shall be deemed approved, if consent was requested, and the proposed transfer shall be deemed not to require the consent of the Agency, if such determination was requested, or both, depending upon the request made.

8.05 Prohibition Against Assignment and Change in Ownership-Leased Parcels.

Notwithstanding anything in this Article to the contrary, from and after the date of execution and delivery of the Lease of any Parcel, the provisions of such Lease respecting prohibitions against assignment, transfer and change of ownership, management and control shall govern.

ARTICLE IX DEFAULTS, REMEDIES AND TERMINATIONS

9.01 Events of Default - Developer.

The following shall constitute Events of Default by the Developer:

(a) the Developer does not pay any Option Payment or Additional Option Payment, in the manner and within the time required pursuant to Section 1.02 hereof and the Developer has not cured such default within five (5) days after the date of written demand by the Agency to the Developer;

(b) the Developer shall suffer or permit a Significant Change to occur or shall assign, transfer or encumber (or attempt to assign, transfer or encumber) its interest in this Agreement or any rights herein or in the Site or any portion thereof, or shall allow (or attempt to allow) any other person

or entity (except the Developer's authorized representatives) to occupy or use all or any part of any Developer Parcel in violation of the terms of this Agreement, and, with respect to involuntary liens placed on the Site or any portion thereof only, the Developer has in violation of Section 6.01 hereof not cured such violation within thirty (30) days after the date of written demand by the Agency to the Developer;

(c) the Developer fails to promptly commence and diligently prosecute to completion the construction of the Improvements to be constructed on the Developer Parcels pursuant to the Scope of Development within the times set forth in the Schedule of Performance and such failure continues for a period of thirty (30) days from the date of written notice thereof from the Agency;

(d) the Developer has permitted an Event of Default as defined in and occurring under a Lease entered into pursuant to this Agreement, the REA, any Grant Deed, the DDA Guaranty, any Lease Guaranty or any other agreement between the Agency and the Developer;

(e) the Developer after exercise of the Option with respect thereto does not timely pay the purchase price for any Deeded Developer Parcel upon tender by the Agency pursuant to this Agreement and such failure continues for a period of five

(5) days from the date of written notice thereof from the Agency;

(f) the Developer fails to pay any other amount required to be paid hereunder other than the purchase price for any Deeded Developer Parcel and such failure continues for a period of five (5) days from the date of written notice thereof from the Agency;

(g) the Developer after exercise of the Option with respect thereto does not accept conveyance of any Leased or Deeded Developer Parcel in violation of this Agreement upon tender by the Agency pursuant to this Agreement and such failure continues for a period of five (5) days from the date of written notice thereof from the Agency;

(h) the Developer is in default of the Affirmative Action Plan; provided, however, that the Agency's remedies for such default shall be limited to the remedies set forth in such Affirmative Action Plan;

(i) the Developer fails to use its best efforts to obtain permits in a timely manner for all Developer Improvements to be constructed on the Site;

(j) the Developer fails to perform any other obligations and duties provided in this Agreement after the time for any

cure or the expiration of any grace period specified therefor, or if no such time is specified, within thirty (30) days after the date of written demand by the Agency to the Developer to perform such obligation and duty.

9.02 Events of Termination by the Agency.

In the event that and whether or not the Developer is in default hereunder:

(a) the Developer does not submit all Construction Documents, as required by this Agreement within the times respectively provided therefor in this Agreement and the Schedule of Performance, and the Developer has not cured such default within thirty (30) days after the date of written demand by the Agency to the Developer;

(b) the Developer does not or cannot certify to the Agency as provided in subsection (b) of Section 2.01.3 hereof within the time established therefor in the Schedule of Performance for any reason and such failure continues for a period of five (5) days from the date of written notice thereof from the Agency;

(c) the Developer fails to submit the documents as required by Section 2.09(a) hereof whether or not the Developer has used best efforts to obtain the same and such failure

continues for a period of five (5) days from the date of written notice thereof from the Agency;

(d) the Developer does not exercise the Option as to any Phase on or before the date specified therefor in the Schedule of Performance;

(e) the Developer commits any Event of Default described in Section 9.01 hereof, other than a default referred to in Section 9.01(h) hereof;

(f) any condition of the Agency's obligation to perform shall not be satisfied or expressly waived by the Agency on or before the date such condition is scheduled to be performed as provided herein or in the Schedule of Performance;

(g) Olympia & York Development Ltd. ("Development") prior to conveyance to the Developer of the CB-1 Office Building Parcel ceases to own at least fifty percent (50%) of all voting stock of O & Y Equity Corp. or all of the stock of a wholly-owned subsidiary of Development which owns at least fifty percent (50%) of all the voting stock of O & Y Equity Corp. without the written consent of the Agency, which consent shall not be unreasonably withheld; or

(h) The Agency is given a right to terminate this Agreement pursuant to any of the provisions of this Agreement;

then this Agreement may, at the option of the Agency, be terminated by the Agency, upon written notice to the Developer, as to all Developer Parcels as to which Substantial Construction has not commenced, and Sections 1.02 and 9.03.3 hereof shall govern the retention or return of Option Payments. Notwithstanding the foregoing, (i) the Agency may not terminate this Agreement with respect to Phase 2 after the conveyance of the CB-1 Office Parcel solely by reason of a default under the Hotel Lease, (ii) the Agency may not terminate this Agreement with respect to Phase 2R after the conveyance of the CB-1 Residential Parcel solely by reason of a default under the Hotel Lease, (iii) nor shall termination by the Agency of this Agreement with respect to a Developer Parcel which has been conveyed by Deed or Lease as to which Substantial Construction has not commenced invalidate or impair the lien and rights hereunder of any Mortgagee holding a Mortgage encumbering said Developer Parcel.

The consent of the Agency, pursuant to (g) above shall not be deemed to be unreasonably withheld by the Agency if the transferee does not have in the Agency's reasonable judgment sufficient experience in and capacity to construct a mixed use urban development of the type contemplated by this Agreement or such transferee does not certify to the reasonable satisfaction of the Agency that it intends to exercise the Option and complete the development on the Site as provided herein. The

Developer shall have the right to submit to arbitration any dispute as to the reasonableness of Agency disapproval under (g) above in accordance with the provisions of this Agreement relating to arbitration.

9.03 Remedies of Agency.

In the event of an Event of Default by the Developer hereunder, the Agency shall have the following remedies:

9.03.1 Termination. The Agency shall have the right to terminate the Agreement to the extent as is set forth in Section 9.02 hereof.

9.03.2 Rights with Respect to Leased Developer Parcels. The rights of the Agency following conveyance of the leasehold interests in the Leased Developer Parcels shall be as set forth in the respective Leases.

9.03.3 Option Payments. The Agency may retain part or all of Option Payments and may sue to collect any portion of the Option Payment not then paid to the extent so provided in Section 1.02 hereof. Except as provided in Section 9.03.4 below, the retention and/or collection of part or all of the Option Payments as provided in Section 1.02 hereof shall constitute liquidated damages. Upon the occurrence of an Event of

Default by Developer other than as described in Section 9.03.4 below, pursuant to California Civil Code § 1677, by placing their initials here:

Agency []

Developer []

the Agency and the Developer agree that it would be impractical or extremely difficult to fix Agency's damages upon the occurrence of an Event of Default and that the retention and/or collection of an amount equal to the Option Payments to be retained or collected pursuant to Section 1.02 hereof is a reasonable estimate of such damages.

The sole obligation of the Developer to Agency upon the occurrence of an event of termination pursuant to Section 9.02(d) hereof shall be the payment of the Option Payments not then paid to the extent so provided in Section 1.02 hereof.

9.03.4 Damages for Certain Defaults. Notwithstanding anything herein to the contrary, (i) in the event of a default by the Developer with respect to any Parcel after the conveyance thereof by the Agency but prior to the issuance of a Certificate of Completion and Right to Occupy with respect to such Parcel, including, but not limited to, defaults under Article IV hereof, the Developer (without, however, access to the assets of any partner of the Developer except as limited by the provisions of Section 13.01 hereof) shall be liable to the Agency for all of the damages caused by such default, (ii) the

Developer shall be liable for damages for breach of its obligations under the Affirmative Action Plan (Attachment No. 21 hereof) to the extent provided in the Affirmative Action Plan, and (iii) the Developer shall be liable for collection costs and attorneys' fees of the Agency to the extent provided for in Section 11.26 hereof.

9.03.5 Specific Performance. The Agency may institute an action for specific performance of the terms of this Agreement against the Developer (but not the partners of Developer) after a default of the type referred to in Section 9.03.4 to the extent that such action is available at law or equity with respect to such default, but not otherwise.

9.03.6 Other Remedies. The Agency shall be entitled to all other remedies permitted by law except as limited by Sections 9.03.3, 9.03.5 and 13.01 hereof.

9.03.7 Power of Termination. The Agency shall have the right at its option to re-enter and take possession of any Deeded Developer Parcel conveyed to the Developer, with all Improvements thereon, and to terminate and revest in the Agency the estate theretofor conveyed to the Developer by reason of the failure of a condition subsequent, if after conveyance of such Parcel and prior to the recordation of a Certificate of Completion and Right to Occupy for such Parcel the Developer shall, in violation of its covenants under this Agreement:

(1) fail to commence or complete construction of the Improvements thereon or, in the case of the CB-1 Office Parcel only, the Improvements on Phase 2, as required by this Agreement for a period of three (3) months after written notice thereof from the Agency;

(2) abandon or substantially suspend construction of such Improvements thereon for a period of three (3) months after written notice from the Agency of such abandonment or suspension;

(3) fail to pay to the Agency any sums of money relating to such Parcel required hereunder to be paid by the Developer to the Agency for a period of three (3) months after written notice from the Agency; or

(4) in violation of this Agreement, assign or attempt to assign or suffer any involuntary transfer of any Parcel, this Agreement or any rights herein, suffer or permit any Significant Change to occur, or encumber or suffer any involuntary lien on any Parcel or on the Improvements to be constructed thereon, except that, in the case of involuntary liens only, the Developer shall have a period of thirty (30) days after written demand by the Agency to cure such violation.

Such rights to re-enter, repossess, terminate and revest shall be subject to and be limited by and shall not

defeat, render invalid or limit: (1) any mortgage, deed of trust or other security interest permitted by this Agreement; or (2) any rights or interest provided in this Agreement for the protection of the holders of such mortgages, deeds of trust or other security instruments.

The Grant Deed to each Deeded Developer Parcel shall contain appropriate reference and provision to give effect to the Agency's right as set forth in this Section 9.03.7 to re-enter and take possession of the Deeded Developer Parcels or any part thereof, with all Improvements thereon, and to terminate and revest in the Agency the estate conveyed to the Developer.

At the time of conveyance of any Deeded Developer Parcel the Developer will deliver to the Title Company an executed and acknowledged quit claim deed in the form of the relevant of Attachments 15A through 15D hereto. The deposit of said deed will be accompanied by irrevocable escrow instructions in the form of Attachment 15E hereto directed to the Title Company and signed by the Developer and the Agency. With respect to the indemnification provisions set forth in said instructions as between the parties hereto, they shall be borne by the same parties which must share the burden of attorneys' fees as provided in Section 11.26 of this Agreement in the same action out of which said indemnification arises as determined by the court. In the event the Agency believes that the Agency

is permitted to exercise the power of termination contained in this Section 9.03.7 with respect to a Deeded Developer Parcel, the Agency may, without limiting its remedies under this Agreement thereafter, deliver upon at least twenty (20) days prior notice to the Title Company instructions to require recordation of the quit claim deed which applies to said Parcel; provided, however, that the Agency agrees concurrently to send a copy of said notice to the Developer. In no way does the recordation of such deed estop or otherwise prevent or inhibit the Developer (whether before or after such recordation) from using legal process to contest the rights of the Agency to cause the recordation of said quit claim deed or from otherwise asserting some right, title, claim or interest in or to said Parcel. Provided the Developer has received notice from the Agency as provided herein, the Developer must bring any action contesting the Agency's right to record such deed within sixty (60) days following the recordation of such deed or it is precluded from challenging the action of the Agency. In the event a Certificate of Completion and Right to Occupy is issued with respect to such Parcel, the Agency agrees to join with the Developer in instructing the Title Company to return such quit claim deed for such Parcel to the Developer. Nothing herein limits the rights or remedies of the Agency arising out of such action by the Developer.

Upon the revesting in the Agency of title to such Parcels (or any portion thereof) as provided in this Section 9.03.7 the

Agency shall, pursuant to its responsibility under state law, use its best efforts to resell such Parcels (or any portion thereof) as soon and in such manner as shall be feasible and consistent with the objectives of the law and of the Redevelopment Plan, to a qualified and responsible party or parties (as determined by the Agency), who will assume the obligation of making or completing the Improvements, or such other improvements in Developer's stead, as shall be satisfactory to the Agency and in accordance with the uses specified for such Parcels (or any portion thereof) in the Redevelopment Plan.

Upon such resale of any such Parcel (or any portion thereof) by the Agency or any other person, the proceeds thereof shall be applied:

(i) first, to the Mortgagee of such Parcel all sums necessary to cause a reconveyance of any Mortgage;

(ii) second, to reimburse the Agency on its own behalf or on behalf of the City, for all costs and expenses incurred by the Agency and not reimbursed to the Agency under the Guarantee or any letter of credit given by the Developer (including, but not limited to, salaries to personnel, in connection with the recapture, management and resale of such Parcel, or any portion thereof); all taxes, assessments, and water and sewer charges with respect thereto arising during the

period of Agency ownership thereof (or, in the event that such Parcel, or any portion thereof, is exempt from taxation or assessment or such charges during the period of ownership by the Agency, then such taxes, assessments or charges as would have been payable until the end of the tax fiscal year in which title was obtained by the Agency if such Parcel, or portion thereof, was not so exempt); any payments made or necessary to be made, to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred by the Agency with respect to the making or completion of the Improvements or any part thereof on the Parcel (or any portion thereof); less any revenues received by the Agency from said Parcel after deduction of all other expenses of the operations thereof; and

(iii) third, to reimburse the Developer, its successors or transferees, up to the amount equal to the sum of (A) the purchase price (or allocated portion thereof) paid to the Agency by the Developer for such Parcel, or portion thereof, and (B) the Development Costs incurred in connection with such Parcel (or any portion thereof), less (C) any gains or income withdrawn or made by the Developer therefrom or from the Improvements thereon, and (D) all amounts paid by the Agency under clause (i) above.

Any balance remaining after such reimbursements shall be retained by the Agency as its property.

The Agency shall give the Developer thirty (30) days prior notice of any such resale provided that the failure to give such notice shall not affect the resale. The Developer shall, as a condition to reimbursement under (iii) above, give to the Agency a statement of all Development Costs and gains and income referred to in (iii) above within sixty (60) days after receipt of the Agency's notice; and, within sixty (60) days after the date of such resale by the Agency, the Agency shall give the Developer a statement of the costs referred to in (ii) above. Either party may dispute the items set forth in the other party's statement as not being proper, and any such dispute shall be settled by arbitration in accordance with the provisions hereof relating to arbitration.

The Agency agrees to release its power of termination on dwelling units in the CB-1 Residential Parcel and the EB-2 Residential Parcel as such dwelling units are sold; provided that, at the time of each such release, the Developer is not in default hereunder and the Agency receives from the Title Company the Agency's share of the purchase price thereof.

9.04 Events of Default - Agency.

The following shall constitute Events of Default by the Agency:

(a) the Agency wrongfully fails to convey any Leased or Deeded Developer Parcel to the Developer and such failure continues for a period of five (5) days from the date of written notice thereof from the Developer; or

(b) the Agency fails to perform any other obligations and duties provided in this Agreement after the time for any cure or the expiration of any grace period specified therefor, or if no such time is specified, within thirty (30) days after the date of written demand by the Developer to the Agency to perform such obligation and duty.

9.05 Events of Termination by the Developer. In the event that:

(a) the Agency commits any Event of Default described in Section 9.04 hereof; or

(b) any condition to the Developer's obligation to perform shall not be satisfied or expressly waived by the Developer on or before the date such condition is scheduled to

be performed as provided herein or in the Schedule of Performance;

then this Agreement may, at the option of the Developer, be terminated by the Developer, upon written notice to the Agency, as to all Developer Parcels as to which Substantial Construction has not commenced; provided, however, that any termination pursuant to (b) above due to the failure to deliver a Developable Parcel shall be pursuant to Section 1.02 hereof.

9.06 Remedies of the Developer.

In the event of an Event of Default by the Agency hereunder, the Developer shall have the following remedies:

9.06.1 Termination. The Developer shall have the right to terminate this Agreement as set forth in Section 9.05 hereof.

9.06.2 Damages. The Agency shall be liable to the Developer for the damages caused by such default, subject to the limitations contained in Section 9.06.5 hereof.

9.06.3 Specific Performance. Subject to the provisions of Section 9.06.5 hereof, the Developer may institute an action for specific performance of the terms of this Agreement to the

extent that such action is available at law or equity with respect to such default.

9.06.4 Other Remedies. Subject to Section 9.06.5 hereof, the Developer is entitled to all other remedies permitted by law.

9.06.5 Nonliability of Agency Officials and Employees; Limited Liability of Agency. No member, official or employee of the Agency shall be personally liable to the Developer, or any successor in interest, in any Event of Default by the Agency or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

The liability of the Agency hereunder shall be limited to the amount of the Option Payments, the amount of any out-of-pocket expenses incurred by the Developer with respect to the terminated portions of the Site to the date of recovery, attorneys' fees incurred in enforcing the Developer's rights hereunder and other out-of-pocket collection costs and in the circumstances so provided herein, a portion of proceeds of resale by the Agency of a Parcel as to which the Agency has exercised its power of termination as provided herein.

9.07 General.

9.07.1 Institution of Legal Actions. Subject to the limitations thereon contained in this Agreement, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default or to obtain any other remedy consistent with the terms of this Agreement. Such legal actions must be instituted in the Superior Court of the City and County of San Francisco, State of California, in any other appropriate court in that City and County or in the Federal District Court in the Northern District of California.

9.07.2 Acceptance of Service of Process. In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director of the Agency, or in such other manner as may be provided by law.

In the event that any legal action is commenced by the Agency against the Developer, service of process on the Developer shall be made by a personal service upon any general partner of the Developer or in such manner as may be provided by law, and shall be valid whether made within or without the State of California.

9.07.3 Rights and Remedies Are Cumulative. Except with respect to rights and remedies expressly declared to be exclu-

sive in this Agreement, the rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either party with respect to the performance, or manner or time thereof, or any obligation of the other party or any condition to its own obligation under this Agreement shall be considered a waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

9.07.4 Surety Waivers. The Developer, for itself and its successors and assigns, and all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under this Agreement, hereby waives, to the fullest extent permitted by law and equity, any and all claims or defenses otherwise available on the ground of its or their being or having become a person in the position of a surety, whether by agreement or operation of law, including, without limitation of the generality of the foregoing, any and all claims and defenses

es based upon extension of time, indulgence, or modification of terms of contract.

9.08 Plans and Data.

If this Agreement is terminated for a reason other than circumstances permitting the Developer to a return of all Option Payments already paid as provided in Section 1.02.2 hereof, the Developer shall promptly deliver to the Agency any and all Construction Documents in the possession of or prepared for the Developer or the Agency for the development of the Site or such portion thereof as to which this Agreement is terminated. The Agency shall be free to use such Construction Documents, for any purpose whatsoever relating to the Site without cost or liability therefor to the Developer or any other person; provided, however, that the Agency shall indemnify, defend and hold harmless the Developer and the Developer's architect from liability arising out of the Agency's use of said plans except liability caused by the negligence or wrongful act of the Developer or the Developer's architects; provided, further, that if this Agreement is terminated as a result of Agency disapproval of Construction Documents the Agency shall pay the Developer for the right to use and possession of the Construction Documents either (i) the Developer's out-of-pocket expenses incurred in connection with the preparation of the Construction Documents or (ii) one-half (1/2) of the Option Payments (but not Additional Option

Payments) paid to the Agency and not previously applied to the purchase of a Parcel, whichever the Agency elects, but only if the Construction Documents are used by a subsequent developer of the Site and only to the extent of the proceeds which said developer pays to the Agency for the right to develop the Site. The Developer shall include in all contracts and authorizations for services pertaining to the planning and design of the development of the Developer Parcels and the Agency-Retained Parcels an express waiver by the person performing such services of any claims of ownership or any other interest in such Construction Documents and of any right to compensation or payment from the Agency in the event such Construction Documents are delivered to the Agency pursuant to the provisions of this Section 9.08 hereof, provided that the Agency agrees not to remove the name of the person(s) who prepared such Construction Documents therefrom without the written permission of such person(s).

If CB-3 is Terminated, the Agency shall pay to the Developer the sum of \$330,000 on the later of (x) the date CB-3 is Terminated or (y) the date the garage is Completed, which payment is intended to defray the Developer's expenses in designing the CB-3 Improvements.

ARTICLE X SPECIAL PROVISIONS

10.01 Affirmative Action.

The Developer shall comply with Attachment No. 21 attached hereto.

10.02 Omitted Intentionally.

10.03 EIR Compliance.

In order to mitigate the significant adverse environmental impacts of the development of the Site, the Developer agrees that the construction and subsequent operation of all or any part of the Improvements shall be in accordance with the mitigation measures adopted by the Agency in Agency Resolution No. 217-84, which provisions are attached hereto as Attachment No. 22 and incorporated in full herein by this reference. As appropriate, these mitigation measures shall be incorporated by the Developer into any contract or subcontract for the construction or operation of the Improvements.

10.04 Memorandum of Agreement - Historic Preservation.

The Developer agrees that the construction of all or any part of the Improvements shall be undertaken in accordance with applicable provisions of a Memorandum of Agreement dated June

3, 1982, by and between the United States Department of Housing and Urban Development, the California State Historic Preservation Officer, and the National Advisory Council on Historic Preservation, which Agreement is attached hereto as Attachment No. 23(A), and, as to the EB-2 Parcels, in accordance with the applicable provisions of a Memorandum of Agreement to be entered into between the City, California SHPO and the Advisory Council on Historic Preservation in the form of Attachment No. 23(B) attached hereto; provided, however, the times provided for in the Schedule of Performance for construction of Improvements on the EB-2 Parcels shall be extended by the Agency if reasonably necessary to enable the Developer to comply with the applicable provisions of said memorandum; provided further, that if the Developer builds the Improvements in compliance with Agency-approved plans, the Developer shall be deemed to have complied with the provisions of this Section 10.04 for the purposes of this Agreement.

10.05 Redevelopment Plan Amendments.

Any amendments to the Redevelopment Plan which change the uses or development permitted on the Developer Parcels or otherwise change the restrictions or controls that apply to the Developer Parcels shall be subject to the written disapproval of the Developer. Amendments to the Redevelopment Plan applying to the Agency-Retained Parcels shall be subject to the written disapproval of the Developer if inconsistent with this

Agreement, the Scope of Development or the Basic Concept Drawings, so long as such documents are in effect. The Agency shall notify the Developer of any amendment to the Redevelopment Plan which is subject to the written disapproval of the Developer prior to its adoption. Any amendment to the Redevelopment Plan not disapproved in writing within thirty (30) days after said notice shall be deemed approved.

10.06 Omitted Intentionally.

10.07 Survival.

Notwithstanding the termination of this Agreement with respect to the Site or any portion thereof, all other documents entered into by Agency and Developer and the Guarantor shall survive the termination of this Agreement unless otherwise terminated.

ARTICLE XI GENERAL PROVISIONS

11.01 Force Majeure - Extension of Time of Performance.

11.01.1 Force Majeure- Prior to Conveyance. For purposes of this Agreement and prior to conveyance of a Parcel in the case of the Developer or commencement of construction on a Parcel by the Agency in the case of the Agency, a party (the

"Delayed Party") who is subject to enforced delay in the performance of an obligation hereunder or in the satisfaction of a condition to the other party's performance hereunder shall be entitled to a postponement of the time for the performance of such obligation or satisfaction of such condition during the period of such enforced delay if such enforced delay is due to:

(a) Litigation Force Majeure, provided, that (i) in the event of the occurrence of such enforced delay as the result of an Administrative Appeal, the time for commencement of construction (but not the time for design submission) for each Parcel may be extended, (ii) if at the expiration of a three (3)-year period from the commencement of such delay the event of Litigation Force Majeure is still in effect, the Agency shall have the right to terminate this Agreement pursuant to Section 9.02 hereof if the Developer is the Delayed Party and the Developer shall have the right to terminate this Agreement pursuant to Section 9.05 hereof if the Agency is the Delayed Party, and (iii) if at any time a permanent injunction becomes final which prevents conveyance of any Parcel, the Agency shall have the right to terminate this Agreement pursuant to Section 9.02 hereof if the Developer is the Delayed Party and the Developer shall have the right to terminate this Agreement pursuant to Section 9.05 hereof if the Agency is the Delayed Party;

(b) Ordinary Force Majeure for a period of not to exceed six (6) months with respect to each Phase or subphase in the case of the Developer or each Parcel in the case of the Agency, as the case may be. If at the expiration of such six (6)-month period the event of Force Majeure is still in effect, the Agency shall have the right to terminate this Agreement pursuant to Section 9.02 hereof if the Developer is the Delayed Party and the Developer shall have the right to terminate this Agreement pursuant to Section 9.05 hereof if the Agency is the Delayed Party.

11.01.2 Force Majeure - After Conveyance of a Leased Developer Parcel. For the purposes of this Agreement and subsequent to the conveyance of a Leased Developer Parcel other than the Hotel Parcels which are governed by the provisions of the Hotel Lease, the Developer shall be entitled to a postponement of the time for performance of an obligation or satisfaction of a condition to an obligation of the other party during the period performance of the obligation or satisfaction of the condition in question is subject to enforced delay if such enforced delay is due to:

(a) Litigation Force Majeure, provided that (i) in the event of the occurrence of such enforced delay as the result of an Administrative Appeal, the time or times for completion of construction (but not the time for submission of Construction

Documents for each phase) may be extended, (ii) if at the expiration of a five (5)-year period from the commencement of such delay the event of Litigation Force Majeure is still in effect, then the Developer shall be in default with respect to such Leased Developer Parcel, the Agency shall have all of the remedies set forth in the applicable Lease and the Agency shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof and (iii) if at any time a permanent injunction becomes final which prevents completion of any Improvements on any Leased Developer Parcel other than the Hotel Parcels which are governed by the provisions of the Hotel Lease, then the Developer shall be in default with respect to such Leased Developer Parcel, the Agency shall have all of the remedies set forth in the applicable Lease and the Agency shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof; provided that the party seeking an extension of time pursuant to the provisions of this Section 11.01.2 shall, within thirty (30) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay;

(b) Ordinary Force Majeure, provided that if, at the expiration of a four (4)-year period from the commencement of such delay with respect to each Leased Developer Parcel other

than the Hotel Parcels which are governed by the provisions of the Hotel Lease, an event of Ordinary Force Majeure is still in effect with respect to a Leased Developer Parcel other than the Hotel Parcels which are governed by the provisions of the Hotel Lease, then the Developer shall be in default with respect to such Leased Developer Parcel, the Agency shall have all of the remedies set forth in the applicable Lease and the Agency shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof; provided, further, that with respect to a Leased Developer Parcel other than the Hotel Parcels which are governed by the provisions of the Hotel Lease, unless (i) after two years of Ordinary Force Majeure extension, the Developer revises the Budget of Total Development Costs and the limitation on liability contained in the Guaranty is adjusted with the written consent of the Guarantor to reflect such revised Budget and (ii) at all times all licenses, permits and loan commitments remain in full force and effect or are renewed or replaced within one hundred twenty (120) days of their expiration or termination, then the Developer shall be in default with respect to such Leased Developer Parcel, the Agency shall have all of the remedies set forth in the applicable Lease and the Agency shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof.

11.01.3 Force Majeure - After Conveyance of a Deeded Developer Parcel.

For the purposes of this Agreement and subsequent to the conveyance of a Deeded Developer Parcel, the Developer shall be entitled to a postponement of the time for performance of an obligation or satisfaction of a condition to an obligation or satisfaction of a condition to an obligation of the other party during the period performance of the obligation or satisfaction of the condition in question is subject to enforced delay if such enforced delay is due to:

(a) Litigation Force Majeure, provided that (i) in the event of the occurrence of such enforced delay as the result of an Administrative Appeal, the time or times for completion of construction (but not the time for submission of Construction Documents for each phase) may be extended, (ii) if at the expiration of a five (5)-year period from the commencement of such delay the event of Litigation Force Majeure is still in effect, the Agency shall have an option to purchase the Parcel(s) subject to the Litigation Force Majeure on the terms set forth in this Section 11.01.3 hereof, and if the Agency exercises such option shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof, and (iii) if at any time a permanent injunction becomes final which prevents completion of any Improvements on such Deeded Developer Parcel, the Agency shall

have an option to purchase the Parcel(s) subject to the permanent injunction on the terms set forth in this Section 11.01.3 hereof and if the Agency exercises such option shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof; provided that the party seeking an extension of time pursuant to the provisions of this Section 11.01.3 shall, within thirty (30) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay.

(b) Ordinary Force Majeure, provided that if, at the expiration of a four (4)-year period from the commencement of such delay, with respect to each Deeded Developer Parcel for which an event of Ordinary Force Majeure is still in effect, then the Agency shall have an option to purchase the Parcel(s) subject to the Ordinary Force Majeure on the terms set forth in this Section 11.01.3 hereof and if the Agency exercises such option, shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof; provided, further, that unless (i) after two years of Ordinary Force Majeure extension, the Developer revises the Budget of Total Development Costs and the limitation on liability contained in the Guaranty is adjusted with the written consent of the Guarantor to reflect such revised Budget and (ii) at all times all licenses, permits and loan commitments remain

in full force and effect or are renewed or replaced within one hundred twenty (120) days of their expiration or termination, then the Agency shall have an option to purchase the Parcel(s) subject to the Ordinary Force Majeure on the terms set forth in this Section 11.01.3 hereof and if the Agency exercises such option, shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.02 hereof.

The option in the Agency to purchase such Deeded Developer Parcel shall be on the following terms:

(a) The Agency shall exercise said right by giving notice in writing to the Developer within six (6) months following the date of the foregoing termination of this Agreement.

(b) The purchase price of the Parcel(s) which the Agency is purchasing shall be the Total Development Costs incurred by the Developer to the date of the notice referred to in (a) above with respect to the Parcel(s) being acquired.

(c) The purchase price for said Parcel(s) as determined in item (b) above shall be payable in cash and lawful money of the United States to the Developer by the Agency at the close of escrow as set forth in item (e) below.

(d) Concurrently with the payment of the purchase price provided for in item (c) above, the Developer shall execute and deliver to the Agency a grant deed in recordable form conveying the Parcel(s) being purchased. Title to said Parcel(s) shall be conveyed by the Developer to the Agency free and clear of all liens, encumbrances (including any Mortgage), covenants, conditions, restrictions, easements, and rights of way of record, leases or other tenancy agreements, and other matters of record, except current taxes, a lien not yet delinquent, those portions of current assessments not yet due and payable, any other exception to title which was of record as of the date of the Parcel's initial conveyance by the Agency to the Developer, and easements and other rights permitted by this Agreement.

(e) The sale of the Parcel(s) shall be consummated through an escrow with a title company of the Agency's choosing to be opened within five (5) days after the notice provided for in item (a) above has been given to the Developer. The parties shall execute all documents required by the escrow holder as long as they are consistent with the provisions of this Section 11.01.3. Escrow shall close within ninety (90) days after the option notice referred to in item (a) above has been delivered to the Developer. Escrow shall be deemed to be closed pursuant to this provision on the date the grant deed is recorded.

(f) At the close of escrow, the escrow holder shall issue to the Agency a CLTA standard coverage policy of title insurance in the amount of the purchase price for the Parcel(s) insuring title to said Parcel(s) vested in the Agency and subject only to the matter set forth in item (d) above. Said title insurance shall be at the sole cost and expense of the Agency.

(g) Ad valorem taxes and assessments, if any, on the Parcel(s) being acquired shall be appropriately prorated. The Agency shall pay any escrow fee and recording fees incurred in connection with the conveyance of said Parcel(s).

11.01.4 Force Majeure - After Commencement of Construction by Agency on a Parcel.

For the purposes of this Agreement and subsequent to the commencement of construction by the Agency on a Parcel, the Agency shall be entitled to a postponement of the time for performance of an obligation or satisfaction of a condition to an obligation of the other party during the period performance of the obligation or satisfaction of the condition in question is subject to enforced delay if such enforced delay is due to:

(a) Litigation Force Majeure, provided that (i) in the event of the occurrence of such enforced delay as the result of

an Administrative Appeal, the time or times for completion of construction (but not the time for submission of Construction Documents for each phase) may be extended, (ii) if at the expiration of a five (5)-year period from the commencement of such delay the event of Litigation Force Majeure is still in effect, the Developer shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.05 hereof and (iii) if at any time a permanent injunction becomes final which prevents completion of any Improvements by the Agency, the Developer shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.05 hereof; provided that the party seeking an extension of time pursuant to the provisions of this Section 11.01.2 shall, within thirty (30) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay;

(b) Ordinary Force Majeure for a period of not to exceed four (4) years with respect to each Parcel. If, at the expiration of a four (4)-year period from the commencement of such delay, an event of Ordinary Force Majeure is still in effect with respect to such Agency Parcel, the Developer shall have the right to terminate this Agreement pursuant to and in accordance with the limitations of Section 9.05 hereof.

11.01.5 Payment of Money. Nothing contained in Sections 11.01.1 and 11.01.2 above shall be deemed to extend the time for performance by the Developer of any obligation to pay money to the Agency or the performance by the Agency of any obligation to pay money to the Developer as provided herein.

11.02 Notices, Demands and Communications
Between the Parties.

Formal notices, demands, approvals, consents and other communications between the Agency and the Developer shall be in writing and shall be sufficiently given upon deposit in the United States mail if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and the Developer, or if served personally on the Agency at the principal office of the Agency or if served personally on the Developer at its local office. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section.

Every notice given to a party hereto pursuant to the terms of this Agreement must state (or must be accompanied by a cover letter that states) substantially the following:

(1) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;

(2) if applicable, the period of time within which the recipient of the notice must respond thereto;

(3) if applicable, that the failure to object to the notice within a stated time period will be deemed to be the equivalent of the recipient's approval of or consent to the subject matter of the notice;

(4) if approval is being requested, shall be clearly marked "Request for Approval"; and

(5) if a notice of a disapproval or an objection which requires reasonableness, shall specify with particularity the reasons therefor.

11.03 Conflict of Interest.

No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interest or the interests of any corporation, partnership

or association in which he is, directly or indirectly, interested.

11.04 Arbitration.

Whenever in this Agreement it is provided that a dispute shall be determined by arbitration or if the parties shall otherwise agree to arbitration, the arbitration shall be conducted pursuant to the Rules and Regulations of the American Arbitration Association then applicable.

11.05 Inspection of Books and Records.

The Agency has the right at all reasonable times to inspect the books and records of the Developer pertaining to the Site as pertinent to the purposes of this Agreement. The Developer also has the right at all reasonable times to inspect the books and records of the Agency pertaining to the Site as pertinent to the purposes of the Agreement.

11.06 No Provisions.

11.07 Time of Performance.

(a) All performance (including cure) dates expire at 5:00 o'clock p.m. on the performance or cure date.

(b) A performance date which falls on a Saturday, Sunday or Agency holiday or Jewish religious holiday observed by any partner of the Developer is automatically extended to the next working day or day which is not a Jewish religious holiday observed by any partner of the Developer.

11.08 Attachments.

All attachments to this Agreement are incorporated herein by this reference and made a part hereof as if set forth in full.

11.09 Non-merger in Instruments of Conveyance.

None of the provisions of this Agreement are intended to or shall be merged by reason of any deed, lease or any other conveyance transferring title, or any interest therein, to the Site from the Agency to the Developer or any successor in interest, and any such deed, lease or other conveyance shall not be deemed to affect or impair the provisions and covenants of this Agreement.

11.10 Headings.

Any titles of the several parts and sections of this Agreement are inserted for convenience of reference only and

shall be disregarded in construing or interpreting any of its provisions.

11.11 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Agency and the Developer and where the term "Developer" or "Agency" is used in this Agreement, it shall mean and include their respective successors and assigns; provided, however, that the Agency shall have no obligation under this Agreement to, nor shall any benefit of this Agreement accrue to, any unapproved successor or assign of the Developer where Agency approval of a successor or assign is required by this Agreement.

11.12 Real Estate Commissions.

The Agency shall not be liable for any real estate commissions, brokerage fees or finder's fees which may arise from this Agreement. The Developer and the Agency each represent that it has engaged no broker, agent or finder in connection with this transaction, and each agrees to hold the other harmless from any such claim by any broker, agent or finder.

11.13 Counterparts/Formal Amendment Required.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

11.14 No provisions.

11.15 Fine Arts; Initial Activation.

The Developer will allocate an amount equal to one percent (1%) of the total cost of construction on the Developer Parcels as determined by executed construction contracts (i.e., hard costs) to works of fine art.

Said works of fine art shall be for display in CB-1, CB-2, CB-3, and EB-2 in spaces physically available to and/or visible to the public. The Developer will submit to the Agency a plan which shall identify the works of fine art, their location, and the approximate amounts to be expended therefor. The plan shall be approved by the Agency as shall each work of fine art and the final selection of all works of fine art shall be

approved by the Executive Director of the Agency. The Developer shall not remove any work of fine art without the prior written consent of the Agency.

If the Agency and the Developer agree upon the Activation Program as provided below, the Developer's initial fine arts contribution will be reduced by the lesser of (i) the amount spent on such program or (ii) \$2,000,000, which will be utilized to fund the Activation Program. The fine arts fund will be replenished by the Agency and the Developer as provided in Attachment No. 7(B).

Not later than three (3) months prior to the date scheduled for delivery of possession of the ARE and Retail Parcels to the Developer, the Developer shall deliver to the Agency for its approval a program (the "Activation Program") which shall contain a program for activities to be conducted in the CB-2 and CB-3 Garden Parcels for the first two years following the Grand Opening Date. The Activation Program so presented shall contain, inter alia, a general description of the activities to be conducted, a method of administering the program, a list of necessary furniture, fixtures and equipment, and a budget for such program. If the Agency and the Developer are unable to agree upon an Activation Program prior to delivery of possession of the ARE and Retail Parcels, there shall be no

Activation Program without either party being deemed in default hereunder.

11.16 Appraisal.

Any appraisal required or permitted hereunder shall be made in the following manner: If the parties are not able to agree on an appraisal value hereunder within sixty (60) days, not more than fifteen (15) days after such failure to agree, the Agency and the Developer shall each appoint one appraiser to determine the value of the property being appraised, and notice of such appointment shall be given to the other party. If either party shall fail or refuse so to appoint an appraiser and give notice thereof within such period, the appraiser appointed by the other party shall within fifteen (15) days thereafter individually make such determination. If the parties have each so appointed an appraiser within such fifteen (15)-day period, the appraisers thus appointed shall proceed to determine such value within thirty (30) days after notice of their appointment. If such two appraisers shall be unable to agree on such value within such thirty (30) days, they shall, within ten (10) days thereafter, join to appoint a third appraiser and, if they fail so to appoint such third appraiser within such period, the third appraiser shall be appointed by the Presiding Judge of the Superior Court for the County of San Francisco, California. All appraisers appointed hereunder shall be M.A.I. appraisers and all appraisal reports shall be

rendered in writing and signed by the appraiser or appraisers making the report. All costs, fees and expenses of the appraisers appointed by each party shall be borne by the party appointing such appraiser, and all costs, fees and expenses of the third appraiser, if any, shall be borne equally by the Developer and the Agency.

Within thirty (30) days after the selection of the third appraiser, the majority of the appraisers shall determine the value of the property being appraised. If the majority of the appraisers are unable to so determine the value as set forth above within the stipulated period of time, the three appraisals for such determination, calculated as set forth above, shall be added together and their total divided by three and, except as provided below, the resulting quotient of each shall be the value of the property being appraised.

If, however, the low appraisal and/or the high appraisal for such value are/is more than ten percent (10%) lower and/or higher than the middle appraisal, the low and/or the high appraisal shall be disregarded. If only one appraisal is disregarded, the remaining two appraisals shall be added together and their total divided by two, and the resulting quotient shall be the value of the property being appraised. If both the low appraisal and the high appraisal are dis-

regarded as stated in this paragraph, the middle appraisal shall be the value of the property being appraised.

After the appraisers have made their determination, they shall immediately notify the parties.

11.17 Perpetuities.

Unless earlier terminated hereunder, this Agreement shall terminate as to any Developer Parcel not conveyed by lease or deed, as applicable, fifteen (15) years from the date hereof.

11.18 Choice of Law.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

11.19 Recordation.

This Agreement shall be recorded by the Agency with the Office of the Recorder of the City and County of San Francisco prior to the conveyance of any Deeded or Leased Developer Parcel.

11.20 Cancellation.

Within thirty (30) days after the Effective Date of this Agreement (assuming that the Agency has signed the escrow instructions referred to below) the Developer will deliver to the Title Company executed and acknowledged quitclaim deeds in the form of Attachments No. 30A through 30C hereto. The deposits of said deeds will be accompanied by irrevocable escrow instructions in the form of Attachment No. 31 hereto directed to the Title Company and signed by the Developer and the Agency. With respect to the indemnification provisions set forth in said instructions as between the parties hereto, they shall be borne by the same parties which must bear the burden of attorneys' fees as provided in Section 11.26 of this Agreement in the same action out of which said indemnification arises as determined by the Court. Should the Agency believe that the Developer has not timely exercised an option for a particular Parcel or Parcels or that the Agency otherwise has the right to terminate this Agreement, the Agency may, without limiting its remedies under the Agreement, thereafter deliver upon at least twenty (20) days prior notice to the Title Company instructions to require recordation of the quitclaim deed or deeds which apply to said Parcel or Parcels; provided, however, that the Agency agrees concurrently to send a copy of said notice to the Developer. The sole purpose of the recordation of any such quitclaim deed is to remove the cloud upon the title to the applicable Parcel or Parcels caused by the

recordation of this Agreement; and in no way does such recordation estop or otherwise prevent or inhibit the Developer (whether before or after such recordation) from using legal process (where allowed hereby) to contest the right of the Agency to cause the recordation of said quitclaim deed or from otherwise asserting some right, title, claim or interest in or to said Parcel or Parcels. Provided the Developer has received notice from the Agency as provided herein, the Developer must bring any action contesting the Agency's termination of this Agreement or as to any Parcels within sixty (60) days following the recordation of the Deed or it is precluded from challenging the action of the Agency. In the event an option for a particular Parcel is timely exercised, the Agency agrees to join with the Developer in instructing the Title Company to return at the closing the quitclaim deed for the pertinent Parcel to the Developer. Nothing herein limits the rights or remedies of the Agency arising out of such actions by the Developer.

11.21 Extensions by Agency.

The Agency may extend the time for Developer's performance of any term, covenant or condition of this Agreement or permit the curing of any default upon such terms and conditions as it determines appropriate, including but not limited to, increasing the price for the Site and the time within which the Developer must agree to such terms and/or conditions, provided, however, that any such extension or permissive curing of any

particular default shall not operate to release any of the Developer's obligations nor constitute a waiver of the Agency's rights with respect to any other term, covenant or condition of this Agreement or any other default in, or breach of, this Agreement.

11.22 Self-Help.

In the event either party fails to perform any obligation required to be performed by such party hereunder, the other party shall have the right to perform such obligation for the defaulting party. Any costs incurred by the non-defaulting party in connection with such performance shall be immediately due and payable by the defaulting party. If such costs are not paid when due, such costs shall bear interest, from the date when due until paid, at a rate of interest per annum equal to two percent (2%) above the prime rate of Bank of America, N.T. & S.A., at the time such payment is due, but in no event at a rate of interest greater than the maximum permitted by law.

11.23 Estoppel Certificates. Each party, within ten (10) days after notice from the other party, shall execute and deliver to the other party an estoppel certificate certified by the party executing it and containing the following information:

(i) Whether or not this Agreement is unmodified and in full force and effect. (If there has been a modification of this Agreement the certificate shall state that this Agreement is in full force and effect as modified, and shall set forth the modification and if this Agreement is not in full force and effect the certificate shall so state.);

(ii) Whether or not the certifying party contends that the other party is in default under this Agreement in any respect; and

(iii) Whether or not there are then existing set-offs or defenses against the enforcement of any right or remedy of any party, or any duty or obligation of the certifying party.

11.24 Further Assurances. The parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to express the intent of the parties or otherwise effectuate the terms of this Agreement.

11.25 Omitted Intentionally.

11.26. Attorneys' Fees. Should any party hereto institute any action or proceeding in court or before an arbitrator to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement, the prevail-

ing party shall be entitled to receive from the losing party, in addition to the court or arbitration costs incurred by the prevailing party, such amount as the court or arbitrator may adjudge to be reasonable attorneys' fees for the services rendered the prevailing party in such action or proceeding.

ARTICLE XII DEFINITIONS

Activation Program as defined in Section 11.15 hereof.

Additional Option Payments as defined in Section 1.02.06 hereof.

Administrative Appeal means an administrative appeal brought by a third party.

Affiliate means any partnership or corporation directly controlling, controlled by or under common control with the partnership or corporation in question.

Agency means the Redevelopment Agency of the City and County of San Francisco.

Agency-Retained Parcels means the CB-2 Gardens Parcels, the CB-3 Gardens Parcel and the Cultural Parcels as

described on the "Site Plan" attached hereto as Attachment No. 4.

Agency's Fault means a Litigation Force Majeure arising primarily from (i) a procedural defect in Agency proceedings, (ii) the Agency taking any action beyond its powers or (iii) the Agency taking any action constituting an abuse of discretion.

Agreement means this Disposition and Development Agreement.

Agreement to Lease as attached hereto as Attachment No. 26(B) .

Approved Title Exceptions as referred to in Section 2.01.4 hereof and attached hereto as Attachment No. 13.

ARE means amusement, recreation and entertainment uses.

ARE Lease as defined in Section 2.01.2 hereof.

ARE/Retail Lease as defined in Section 2.01.1 hereof.

Basic Concept Drawings as defined in the Scope of Development and referred to in Section 4.04.

Bona Fide Institutional Lender means a bank, a savings and loan association, an insurance company, a pension fund, a governmental agency or a charitable organization engaged in making loans.

Budget as defined in Section 2.09(a) hereof.

Building Permit(s) means a permit permitting the excavation of the Improvements.

Building Standards as defined in Section 4.08 hereof.

CB-3 ARE/Retail Lease as defined in Section 2.01.1 hereof.

CB-1 Parcels as described on the "Site Plan" attached hereto as Attachment No. 4.

CB-2 Parcels as described on the "Site Plan" attached hereto as Attachment No. 4.

CB-3 Parcels as described on the "Site Plan" attached hereto as Attachment No. 4.

Certificate of Completion and Right to Occupy as described in Section 5.01 hereof and a form of which is attached hereto as Attachment No. 25.

Certified by the Agency as referred to in Section 2.02.3 hereof.

Church as defined in Section 4.29 hereof.

City means the City and County of San Francisco.

Completed means:

(a) with respect to each of the CB-1 and EB-2 Office Building Parcels, when the Shell of the Improvements located thereon has been completed;

(b) with respect to each of the CB-1 and EB-2 Residential Parcels, when the Shell of the Improvements located thereon has been completed and sufficient Tenant Improvements are completed to permit sale of condominium units in accordance with the regulations of the California Department of Real Estate;

(c) with respect to the Retail and ARE Parcels, when the Shell of the Improvements located thereon has been completed;

(d) with respect to the Improvements on the Hotel Parcels, when all Improvements thereon have been completed and all furniture, fixtures and equipment are in place; and

(e) with respect to the CB-2 Parking Parcel, when all Improvements thereon have been completed.

Construction Documents as defined in Section 4.04 hereof.

Coordination Agreement as attached hereto as Attachment No. 26(A).

Cultural Buildings as described in the Scope of Development.

DDA Guaranty as attached hereto as Attachment No. 24 and as defined in Section 13.01.

Declaration of Restrictions means the document recorded in the Office of the City and County of San Francisco,

State of California, in Book-103 of Official Records at page 210.

Deeded Developer Parcels as defined in Section 2.02 hereof.

Deferred Items as defined in Section 5.01 hereof.

Delayed as defined in Section 2.01.5 hereof.

Delayed Party as defined in Section 11.01.1 hereof.

Developable Parcel means, with respect to all Parcels in Phase 1, the enactment of legislation by the City permitting the (i) vacation and/or abandonment of the portions of Stevenson Street and Jessie Street described in the Perimeter Plot Plan and fulfillment of all conditions imposed in such legislation to said vacation other than those to be satisfied by the Developer as provided herein, (ii) existing easements with respect to the existing or former Stevenson Street to be terminated and quitclaimed to the Agency as provided in the Perimeter Plot Plan, zoning of the GSA Site as C-3-0, and (iii) land under a portion of Mission Street described in the Perimeter Plot Plan to be vested in the Agency. With respect to the CB-1 and CB-2 Parcels in Phase 2, it means when the City has granted to the Agency the easement for the bridge from CB-1

to CB-2 shown on the Perimeter Plot Plan. With respect to the EB-2 Parcel, it means the enactment of legislation by the City permitting the vacation of the portions of Hunt and Masset Streets shown on the Perimeter Plot Plan and fulfillment of all conditions imposed in such legislation to said vacation other than those to be satisfied by the Developer. With respect to the CB-3 ARE/Retail Parcels, it means when the easements for the two bridges over Howard Street shown on the Perimeter Plot Plan have been granted to the Agency or at the sole option of the Agency, when an easement for the West Bridge over Howard Street shown on the Perimeter Plot Plan has been granted to the Agency. With respect to each Phase it also means when any Exceptions from the Redevelopment Plan required by design approval by the Agency have been obtained and are final. Any such Exception shall be obtained within three (3) months after the design approval which necessitates such Exception, rather than within the period set forth in Section 4.30 hereof.

Developer means YBG Associates, a California limited partnership consisting of O & Y California Equities Corp. and Marriott Corporation as sole general partners.

Developer Parcels means the following as described in Attachment No. 3 and as shown in the Site Plan attached hereto

as Attachment No. 4 and shall also include all appurtenant easements provided for herein:

CB-1 Hotel Parcel
(including the parcel
under Mission Street
to the CB-2 Hotel
Parcel)

CB-2 Hotel Parcel

CB-1 Office Parcel

CB-1 Residential Parcel

CB-1 Retail Parcels
(including Jessie Street
Substation and the
CB-1 Open Space Parcel)

CB-2 Retail Parcels

CB-2 ARE Parcels

CB-2 Parking Parcel

CB-3 ARE/Retail Parcels

EB-2 Office Parcel
(including Williams
Building)

EB-2 Residential Parcel

Development as defined in Section 9.02(9) hereof.

Development Costs means:

(a) All costs incurred (other than for repayment of the principal amount of money borrowed) by the Developer or for its account (which in dealing with affiliates of the Developer shall be reasonable and at no higher than market rates, and all

dealings with affiliates of Developer shall be disclosed in writing to the Agency) directly or indirectly, in connection with the construction and development, as permitted hereunder, of the initial Improvements upon a Parcel, including, without duplication, amounts paid or payable by the Developer or for its account prior to the completion of the construction upon the Parcel on account of:

(i) demolition, excavation, site improvement and off-site Improvement costs and/or contracts incurred;

(ii) payments, including progress or partial payments, to or for the account of a contractor or contractors engaged by or on behalf of the Developer including construction management fees, contractor's profit and including payments to utilities;

(iii) costs of labor services and salary directly related to construction;

(iv) costs of materials, supplies, machinery, plant equipment and apparatus acquired or used less the salvage value, if any, of any owned items disposed of (including rental charges for machinery, equipment or apparatus hired);

(v) taxes, rentals, licenses, permits, levies, royalties, duties, excises and assessments, casualty, surety bonds and other insurance premiums;

(vi) landscaping;

(vii) architectural and engineering fees and expenses;

(viii) promotional and advertising expenses and property management fees;

(ix) interest and other charges (including, without limitation, penalties and contingent payments) incurred, including, without limitation, interest and other charges on secured or unsecured construction financing and on line of credit and gap financing and other types of credit; standby fees, discounts, fees for letters of credit, accommodation fees, contingency fees, guarantee fees and all other fees and payments however denominated and commissions in connection with such financing, all other costs in connection with the creation and implementation of such financing, such as (but without limitation) broker's fees, legal fees, appraiser's fees and trustee's fees and expenses in connection with any of the foregoing and imputed interest at a rate equal to the interest rate

on a construction loan on all Development Costs funded from actual equity contributions by Developer;

(x) accounting fees and expenses;

(xi) the amount during the course of construction of all operating costs and expenses including, without limitation, the cost of utilities, the cost of non-capital repairs and replacements, insurance premiums, the cost of supplies, heating and air-conditioning costs, and the cost of legal and auditing services and management fees; and

(xii) a developer fee equal to three percent (3%) of the total Development Costs described in subsections (i) through (xi) above, but excluding therefrom this subsection; provided the developer fee with respect to Development Costs described in clause (ix) above shall in the case of the CB-1 Residential Parcel not exceed \$50,000 and in the case of the EB-2 Residential Parcel not exceed \$500,000.

(b) It is agreed that the following shall be excluded from the calculation of Development Costs:

(i) any charge, expense or allowance for the overhead (including office rental expense) and general and administrative expenses of the Developer and its partners;

(ii) any salary, other compensation and benefits to any of the officers or employees of partners who own the Developer with respect to any portion of the time spent by such officers or employees on the construction of the initial Improvements or otherwise or in connection with the Developer;

(iii) any salary, other compensation and benefits to the general manager and any other employees of the Developer who are either located off the Parcel or are not employed by the Developer in the full-time supervision of, or performance of, construction of the initial Improvements;

(iv) any fee or allowance (other than the developer's fee set forth above) to the Developer and its partners for profit in connection with the construction of the initial Improvements or in connection with any activity for which costs are permitted to be included pursuant to this Section;

(v) all costs incurred prior to the execution hereof, including, without limitation, all costs incurred in connection with the negotiation of this Agreement, all leases and other documents contemplated herein; and

(vi) the costs and fees incurred for any letters of credit or other security instrument under the DDA.

(c) The following shall be subtracted from Development Costs: all Gross Revenues received by or payable to Developer during the course of construction of the initial Improvements. Any costs incurred but subsequently excused from or relieved of payment shall be deducted as an adjustment to Development Costs.

(d) The Developer shall keep all books and records pertaining to the development of the residential units and to the amount payable hereunder for not less than two (2) years following the initial sale of the final unit. Representatives of the Agency shall have the right to inspect and copy such books and records of the Developer and to independently audit the results of the Developer's operations for the purpose of verifying payments made or to be made to the Agency hereunder. If, as a result of an audit of the Developer's books and records by an independent firm of certified public accountants hired by the Agency an additional amount is due to the Agency

hereunder which exceeds by five percent (5%) the amounts actually paid to the Agency, the cost of such audit shall be paid by the Developer (and shall not be included in Development Costs) unless a third accounting firm is selected pursuant to the next sentence and such accounting firm determines that the additional amount due is not in excess of five percent (5%) of the amounts actually paid to the Agency. If the Developer's accountant disagrees with the audit results of the Agency's accountants, the Developer and the Agency will select a third accounting firm, satisfactory to both, whose audit will be determinative of the amount due. The Developer shall pay for such audit if such audit discloses an additional amount is due to the Agency which exceeds by five percent (5%) or more the amounts actually paid to the Agency. If the parties are unable to agree on a third accounting firm, the amount due shall be determined by arbitration hereunder.

(e) For the purposes of calculating Development Costs, all costs incurred shall be calculated in accordance with generally accepted accounting principles.

East Gardens as shown on the Site Plan.

Easement Agreement as referred to in Section 2.01.5 hereof and attached hereto as Attachment No. 28.

EB-2 as described on the "Site Plan" attached hereto as Attachment No. 4.

EB-2 REA as defined in Section 2.02.3(i) hereof.

Effective Date as defined in Section 14.01E hereof.

Equity means funds of or committed to the Developer to be used to pay Total Development Costs, including borrowed funds if not secured by any portion of the Site.

Equities as defined in clause (f) of the definition of Significant Change contained below.

Escrow as defined in Section 2.03 hereof.

Esplanade as shown on the Site Plan.

Event of Default by Agency as defined in Section 9.04 hereof.

Event of Default by Developer as defined in Section 9.01 hereof.

Exception as defined in Section 19 of the Redevelopment Plan.

Fast-Track as defined in Section 4.18.2 hereof.

Final Construction Documents as defined in the Scope of Development and as referred to in Section 4.04 hereof.

Gardens as shown on the Site Plan.

Grand Opening Date as defined in Attachment No. 7B hereto.

Grant Deed means a grant deed in the form attached hereto as Attachment No. 14.

Gross Revenues means all cash receipts (other than a condemnation award) from the operation or ownership of a Parcel of every kind and nature including, but not limited to:

(a) Insurance proceeds actually received only if the square footage of the Improvements on the Parcel are reduced as the result of the casualty insured and only to the extent such proceeds are not expended for restoration of the Improvements net of (x) reasonable collection expenses and (y) sums actually expended for repair, reconstruction and replacement of Improvements;

(b) Tenant reimbursements, including, but not limited to, those for Tenant Improvements.

Gross Sales Price shall mean the gross amount agreed to be paid and in fact paid by purchasers of dwelling units on each Parcel consisting of cash and the face amount of notes or other evidence of indebtedness paid or delivered by such purchasers, without deduction or credit for closing costs or expenses, financing costs (including points), insurance, commissions, tax service, credit reports or other charges or expenses paid by or chargeable to the purchasers, plus any rent received from the units if Developer rents the units until the date of sale.

GSA Site means the property acquired from the General Services Administration of the U.S. Government by deed dated May 16, 1983 and recorded August 11, 1983 at Book D563, Page 1762, Official Records of San Francisco County.

Guarantor means O & Y Equity Corp., a New York corporation.

Hotel means the Improvements on the CB-1 and CB-2 Hotel Parcels and the tunnel between CB-1 and CB-2.

Hotel Lease means the lease of the CB-1 and CB-2 Hotel Parcels.

Improvements means any buildings, structures or anything erected, built, placed, installed or constructed upon or in a Parcel.

Imputed Interest as defined in Section 1.02.4 hereof.

Index means The Engineering News Record Building Cost Index for San Francisco.

Lease or Leases as defined in Section 2.01.1 hereof.

Lease Guaranty as defined in Section 2.01.1 hereof.

Leased Developer Parcels as defined in Section 2.01 hereof.

Lender Rate means the interest rate on the construction loan for the relevant Improvement; provided, however, that if the Developer itself finances construction of an Improvement, the Lender Rate for that Improvement shall be twelve percent (12%) per annum.

Litigation Force Majeure means an administrative appeal brought by a third party (an "Administrative Appeal") or litigation brought by a third party which seeks an injunction to halt or prevent construction of Improvements and (a) prior to commencement of Substantial Construction (i) an injunction or temporary restraining order issues and is in effect or (ii) the party seeking the delay obtains an opinion from independent, experienced counsel reasonably satisfactory to the other party that it is likely that an injunction will issue (except that if the challenge is procedural and the Agency furnishes the Developer with an opinion of independent experienced counsel reasonably satisfactory to the Developer that such defect is curable and the Agency seeks to cure the defect, such event does not constitute Litigation Force Majeure until such time as such attempt to cure fails); (b) after commencement of Substantial Construction, if the Delayed Party elects in its good faith judgment to treat such litigation as Litigation Force Majeure except if a preliminary injunction is sought and denied, such continuance of such litigation shall not constitute Litigation Force Majeure.

Memorandum of Agreement as defined in Section 10.04 hereof.

Mortgage means any mortgage, deed of trust or other conveyance for financing permitted hereunder.

Mortgagee means any holder of a Mortgage.

Museum means a museum of the quality of the Asian Art Museum presently located in the City.

Net Profit from the sale of the units on the CB-1 Residential Parcel and the EB-2 Residential Parcel shall mean, with respect to either Parcel, as applicable, the aggregate of all Gross Sales Prices (as defined herein) less:

(i) Development Costs (as defined herein);

(ii) Twenty Percent (20%) of Net Profit calculated exclusive of this deduction, as the Developer's preferred return;

(ii) real estate commissions and other expenses for the marketing and sale actually paid on the sale of the Dwelling Units;

(iv) cash paid by the Developer (and not to be repaid to the Developer) to lenders in consideration for making purchase money loans to purchasers of dwelling units, including any payments the Developer may make to reduce the interest rate temporarily; and

(v) amounts paid for lobby furniture and other items of personal property installed in the CB-1 Residential Parcel and EB-2 Residential Parcel, respectively, by the Developer and transferred to any homeowners' association.

All deductions from Gross Sales Price which apply to the entire Parcel shall be prorated among each of the units owned by the Developer in the proportion which the square footage in each unit bears to the total number of square feet in all units in the Parcel owned by the Developer so that the Net Profit as to each unit may be determined at the time of the sale thereof.

Option Payments as defined in Section 1.02 hereof.

Ordinary Force Majeure means events which result in delays in the Delayed Party's performance of its obligations hereunder due primarily to causes beyond the Delayed Party's control including, but not restricted to, acts of God or of the public enemy, acts of the government (other than acts of government relating to the issuance of Building Permits), fires, floods, strikes, freight embargoes, delays of subcontractors and unusually severe weather. Ordinary Force Majeure does not include litigation, failure to obtain financing or the Delayed Party's failure otherwise to have adequate funds, or acts of the other party. In addition, if the Developer is diligently proceeding to obtain necessary building permits and/or addenda

as required by Section 4.18.1 hereof with respect to any Improvements, the time for conveyance of the relevant Parcel and commencement of construction of the relevant Improvements shall be extended for a period not to exceed four (4) months for delays caused by the City in issuing such permits which result in delaying the conveyance of the relevant Parcel or the commencement of construction of such Improvements in accordance with the Schedule of Performance.

Partial Retail Shells means that portion of the relevant Shells to be built by the Developer as part of the Hotel, CB-1 Office Building or CB-1 Residential Building as shown on the relevant Final Construction Documents therefor.

Participation Payments as defined in Attachment No. 16 as attached hereto.

Perimeter Plot Plan as attached hereto as Attachment No. 2.

Permit to Enter as referred to in Section 2.08 hereof and attached hereto as Attachment No. 18.

Permitted Transferee means (i) any Affiliate of the Developer; (ii) any partnership, the only general partners of which are the original Developer, all the original general

partners of the Developer, Affiliates of permitted general partners of the Developer, any Bona Fide Institutional Lender, The Rouse Company, any wholly-owned subsidiary of the Rouse Company or, as to the CB-1 Office Building Parcel only, tenants (but not more than three tenants) of the Office Building to be constructed on the CB-1 Office Parcel pursuant to an executed lease with any such tenant for in excess of 100,000 square feet; provided, however, that (v) the Developer or the general partners of the Developer or Affiliates is or are general partners in such partnership, (w) the Developer or the general partners of the Developer as general partners remain as the Developer under this Agreement, (x) Marriott Corporation and Olympia & York California Equities Corp. shall have primary responsibility for and control over the implementation of the Developer's obligation under this Agreement, (y) the second and third tenants of the Office Building acquiring such partnership interest shall certify in writing to the Agency that such acquisition is a condition to their execution of a lease of space in the Office Building, and (z) no partners of the transferee other than Marriott Corporation and Olympia & York California Equities Corp. shall have any right of management of the Developer, any right to dissolve such transferee partnership, or any right to remove Marriott Corporation and Olympia & York California Equities Corp. as general partners of such transferee partnership; (iii) a purchaser at a foreclosure sale under the provisions of a Mortgage which complies with the

provisions hereof; or (iv) a Mortgagee by way of collateral assignment as security for a Mortgage.

Phases means Phase 1, Phase 2, Phase 2R and Phase 3 as identified in Section 4.02 hereof.

Phase 1 as defined in Section 4.02.

Phase 2 as defined in Section 4.02.

Phase 2R as defined in Section 4.02.

Phase 3 as defined in Section 4.02.

Preliminary Construction Documents as defined in the Scope of Development and as referred to in Section 4.04 hereof.

Project means the Yerba Buena Center Redevelopment Project as described in the Redevelopment Plan.

Project Area means that area within the Project and more particularly described in the Redevelopment Plan.

Public Improvements means the following: the Esplanade, as so designated on the Site Plan, the West Gardens, as so designated on the Site Plan, the East Gardens, as so

designated on the Site Plan, the Forum and Gallery, as so designated on the Site Plan, the Theaters, as so designated on the Site Plan, and the Gardens on CB-3, as so designated on the Site Plan, and such other Agency Improvements, if any, as are described in the Scope of Development.

REA means the declaration of conditions, covenants, easements and restrictions attached hereto as Attachment No. 16.

Redevelopment Plan means the plan the Agency has prepared and the City has approved, acting through its Board of Supervisors by Ordinance No. 98-66, adopted April 25, 1966, as amended by Ordinance 201-71, adopted on July 26, 1971, by Ordinance No. 393-73, adopted on October 9, 1973, by Ordinance No. 386-76, adopted on September 13, 1976, by Ordinance No. 367-77, adopted on August 8, 1977, by Ordinance No. 420-79, adopted on August 13, 1979, and as further amended by Ordinance No. 538-81 adopted on November 2, 1981, providing for the clearance and redevelopment or rehabilitation of certain lands in the Project Area and the future uses of such land.

The Redevelopment Plan and amendments have been filed as Document No. P-03937, on July 21, 1966, Document No. U-11274, on August 18, 1971, Document No. W-40397, on December 27, 1973, Document No. Z-031462, on October 8, 1976, Document No.

A-48452, on November 23, 1977, and Document No. C-036946, on October 16, 1979, and Document No. O-164784 on January 15, 1982 respectively, in the Office of the Recorder of the City and County of San Francisco and a Declaration of Restrictions recorded in the Office of the Recorder of the City and County of San Francisco, State of California, in Book B-103 of Official Records at page 210.

Redevelopment Requirements as defined in Section 4.05 hereof.

Residential Parcel(s) means CB-1 Residential Parcel and EB-2 Residential Parcel.

Retail/Residential REA as attached hereto as Attachment No. 17.

Retail Shell means all elements of the applicable Improvement or portion thereof, including all areas for use by more than one tenant or occupant thereof other than Tenant Improvements, regardless by whom performed, within the premises demised to any tenant.

Schedule of Performance as attached hereto as Attachment No. 6.

Schematic Drawings as defined in the Scope of Development and as referred to in Section 4.04 hereof.

Scope of Development as attached hereto as Attachment No. 5.

Severance Lease as defined in Section 2.01.2 hereof.

Severance Lease Guaranty as defined in Section 2.01.2 hereof.

Shell means all elements of the applicable Improvement or portion thereof, including all areas for use by more than one tenant or occupant thereof other than Tenant Improvements, regardless by whom performed, within the premises demised to any tenant, and all common area located outside of such Improvement or portion thereof which is to be constructed as part of the same Phase or subphase, as the case may be, as the Improvement.

Significant Change means the following changes in the ownership of the Developer or its respective parents or partners:

- (a) the Developer admits any new general partners, except
- (i) any Affiliate of an existing general partner or of a

Permitted Transferee or (ii) a general partner permitted by Section 8.01 hereof, or dissolves;

(b) with respect to general partners of the Developer which are partnerships, whether general or limited, such partnerships sell, transfer or convey all or any substantial part of the assets of such partnerships to any person or entity except an Affiliate or a permitted general partner of Developer;

(c) with respect to general partners of the Developer who are individuals, such individuals sell, transfer or convey all or any part of his or her interest to any person or entity, except in the case of death and except to a permitted general partner of Developer or an Affiliate;

(d) with respect to general partners of the Developer which are partnerships, general partners in such partnership sell, transfer or convey all or any part of their general partnership interest in such partnership to any person or entity except an Affiliate or a permitted general partner of Developer;

(e) with respect to general partners of the Developer which are corporations, except for publicly traded corporations, Olympia & York California Equities, Corp., or a

corporation mentioned in (f) below, a sale or other transfer of fifty-one percent (51%) or more of the shares of any such corporation to (y) shareholders who were not shareholders of such corporation on the date hereof, (z) to any person or entity not a shareholder on the date hereof who as a result acquires fifty-one percent (51%) or more of the shares of such corporation;

(f) an event resulting in O & Y Equity Corp. ceasing to own at least fifty percent (50%) of all voting stock of Olympia & York California Equities Corp. ("Equities"), unless the partnership interest of Equities in Developer is simultaneously transferred to a corporation, the stock of which is either owned 100% by Development or a corporation, the stock of which is 100% owned by Development;

(g) if after a transfer pursuant to (f) above, the partnership interest formerly held by Equities in the Developer is no longer owned by a corporation the stock of which is either owned 100% by Development or a corporation the stock of which is 100% owned by Development; or

(h) with respect to limited partners of the Developer, admission of any limited partners who are not also permitted general partners under Section 8.01 hereof, who either individually or collectively under the provisions of the

partnership agreement of the Developer may (w) exercise management or control of the business of the Developer, (x) designate, replace or substitute a general partner of the Developer except with the concurrence of a majority in interest of the general partners of the Developer, (y) require a non-judicial dissolution of the Developer or a merger or consolidation of the Developer with any other partnership, or (z) authorize or prohibit the distribution of any funds or the sale, lease or encumbering of any assets of the Developer; provided, that the partnership agreement of the Developer must contain provisions setting forth the substance of this subdivision (h), which provision may not be amended or deleted except with Agency consent as to any Parcel for which a Certificate of Completion and Right to Occupy has not been issued.

Site means that portion of the real property burdened by the Redevelopment Plan shown on the "Perimeter Plot Plan" which is incorporated and attached to this Agreement as Attachment No. 2 and described in Attachment No. 1 attached hereto.

Site Plan as attached hereto as Attachment No. 4.

SOM Reserve means a reserve to be created by the Agency, at its option, to fulfill the Agency's obligations under the relevant provisions of Attachment No. 7(B).

Specified Development Costs as defined in Section 13.01 hereof.

Substantial Construction means pouring of concrete or driving pilings other than test pilings on the Parcel conveyed.

Tenant Improvements means:

- (a) All interior partitions and curtain walls;
- (b) All air-conditioning system work within the Premises;
- (c) All ceilings;
- (d) All floor coverings;
- (e) All drywall or plaster including demising partitions;
- (f) Internal communication systems, alarm systems, and fire protection systems;
- (g) Store fronts, store fixtures and furnishings;

(h) All finished plumbing from plumbing outlets stubbed in as part of the Shell;

(i) Elevators, dumbwaiters, chutes, conveyors, shafts and all elements relating thereto;

(j) Show window display platforms;

(k) All interior finish and show windows;

(l) All signs;

(m) All tenant-required electrical work from the central distribution panel;

(n) Electric water heater; and

(o) All required telephone conduit and wire from the distribution panel to the Premises.

Terminated as defined in Section 2.01.5 hereof.

Theater means a theater of the quality (but not necessarily the size) of the 600-seat theater planned for CB-2 as described in the Scope of Development.

Title Company as defined in Section 2.03 hereof.

Total Development Costs means Development Costs plus land acquisition costs.

Transfer means the transfer of an interest in this Agreement or in any Parcel.

TSA as defined in Section 2.01.3 hereof.

West Gardens as shown on the Site Plan.

ARTICLE XIII GUARANTY

13.01 Guaranty and Recourse to Partners.

(a) That certain document entitled "DDA Guaranty" is attached hereto as Attachment No. 24 and is incorporated herein as though fully set forth. Said Attachment No. 24 has been fully executed by the Guarantor.

(b) (i) Except as provided below, and as further limited by subsection (ii) hereof, the liability of general partners of Developer hereunder other than with respect to all Option Payments, Additional Option Payments and for attorneys' fees and other costs of enforcing the liability of general

partners of Developer shall, in the case of each of Phases 2, 2R and 3, be limited to an amount equal to twenty-five percent (25%) of the Budgeted Specified Development Costs for each such Phase (or actual Specified Development Costs for such Phase in the case where any such Phase is constructed pursuant to a general construction contract which is neither a fixed-price contract nor a contract with a guaranteed maximum price), plus, if Phase 2 is constructed in accordance with Section 4.28 hereof, an amount equal to the increased Development Costs resulting from proceeding under such Section 4.28; and, in the case of Phase 1, shall be limited to the greater of (y) 20% of the Budgeted Specified Development Costs for such Phase (or actual Development Costs for such Phase in the case where such Phase is constructed pursuant to a general construction contract which is neither a fixed-price contract nor a contract with a guaranteed maximum price) less the amount of all Specified Development Costs expended on such Phase which are not funded from the proceeds of any construction loan on such Phase or from any other source of financing other than equity of the Developer, or (z) the amount of any dollar limitation contained in any guarantee given by the Developer to the construction lender of such Phase. "Specified Development Costs" means Development Costs, less Development Costs described in subsections (a)(xii) of the definition of Development Costs herein. "Budgeted Specified Development Costs" means the amount of such costs shown on the Budget

approved by the Agency pursuant to Section 2.09(a) herein (i) increased by the amount, if any, by which the budget approved by the construction lender for the relevant Phases exceeds the Budget approved by the Agency pursuant to Section 2.09(a) hereof, and by any non-normal and non-routine additive change orders, and (ii) decreased by any non-normal and non-routine deductive change orders. Notwithstanding the above, in the event any general partner of Developer chooses to complete the Improvements after an Event of Default by the Developer and the dissolution of the Developer, the bankruptcy of the Developer, the exercise by the Agency of its power of termination on the relevant real property of the Developer or the foreclosure of any deed of trust on the relevant real property of the Developer, said general partner shall be obligated to one hundred percent (100%) complete such Improvements free and clear of all mechanics' and materialmen's liens, and to pay all costs of completing such Improvements, even if the total costs of completing such Improvements exceeds the limitation of liability set forth above, and upon the failure of such partner to do so the provisions hereof shall then apply.

(ii) A general partner's liability as provided in subsection (i) hereof shall be reduced as to each Phase by that amount of money (y) paid to the Agency with respect to such Phase by said general partner or by the Guarantor under the DDA Guaranty or another general partner hereof which

reduces or satisfies in whole or in part the liability of said Guarantor under the DDA Guaranty or said other general partner as a general partner under the DDA or (z) expended by said Guarantor or by said general partner or any other partner of the Developer or by the Developer to pay any portion of Specified Development Costs in excess of Budgeted Specified Development Costs.

ARTICLE XIV AGREEMENT

14.01 Execution and Delivery of Agreement.

A. This Agreement, when executed by the Developer and delivered to the Agency, shall constitute an offer to the Agency by the Developer for a period of ninety (90) days or such later date agreed to by the Developer after written request from the Agency from the date of such delivery.

B. During such period the staff of the Agency and the Executive Director of the Agency may then determine and prepare a recommendation on this offer to submit to the governing body of the Agency for consideration and action in accordance with Agency procedures and applicable law. The action of the governing body of the Agency will be conditioned upon approval of the San Francisco Board of Supervisors of the disposition of the GSA site as required by § 33433 of the California Health

and Safety Code and such other actions of the San Francisco Board of Supervisors as may be required by law, in the opinion of the Agency's general counsel.

C. The acceptance of the offer (if such be the case) shall be only by execution of this Agreement as authorized by such procedures, which execution shall occur upon approval by the governing body of the Agency, but shall be effective only when the San Francisco Board of Supervisors have taken all actions referred to in B above.

D. If such executed Agreement is not delivered by the Agency to the Developer, together with (i) the Exception, if any, required with respect to the bulk of the Office Building on the CB-1 Office Parcel and the Hotel, (ii) the Exception, if any, required with respect to the floor area ratio of the Improvements on the EB-2 Parcels in order to develop such Improvements in accordance with the Scope of Development and (iii) a CLTA policy in the amount of \$4,000,000 issued by the Title Company at the Developer's expense insuring the Option subject only to those matters appearing on Attachment No. 13 hereof, and the San Francisco Board of Supervisors has not taken all the actions referred to in B above within the time set forth in Paragraph A above, such offer may be terminated by written notice from the Developer to the Agency of such termination.

E. The Effective Date of this Agreement (the "Effective Date") shall be the date on which the San Francisco Board of Supervisors has approved the disposition of the GSA site and taken such other actions as are set forth in the opinion of the Agency's general counsel referred to in B above. Promptly after the Effective Date, the parties shall execute and record a memorandum of such Effective Date.

This Agreement shall be executed in quadruplicate originals.

DEVELOPER

YBG ASSOCIATES

Dated: _____

By: Olympia & York California
Equities Corp.

By: _____

Its _____

By: Marriott Corporation

By: _____

Its _____

AGENCY

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO

Dated: _____

By: _____

APPROVED AS TO FORM:

AGENCY GENERAL COUNSEL

Dated: _____

4777.13

State of California)
) ss.
City and County of San Francisco)

On this _____ day of _____, in the year 19__,
before me, the undersigned, a notary public in and for the
State of California personally appeared _____,
personally known to me [or proved to me on the basis of satis-
factory evidence] to be the person who executed this instrument
as _____ of the corporation therein named and
acknowledged to me that the corporation executed it on behalf
of the partnership pursuant to its bylaws or a resolution of
its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and af-
fixed my official seal the day and year first above written.

Notary Public

[SEAL] My commission expires: _____

State of California)
) ss.
City and County of San Francisco)

On this _____ day of _____, in the year 19__,
before me, the undersigned, a notary public in and for the
State of California personally appeared _____,
personally known to me [or proved to me on the basis of satis-
factory evidence] to be the person who executed this instrument
as _____ of the corporation therein named and
acknowledged to me that the corporation executed it on behalf
of the partnership pursuant to its bylaws or a resolution of
its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and af-
fixed my official seal the day and year first above written.

Notary Public

[SEAL] My commission expires: _____

List of DDA Attachments

Attachment No. 1 - Legal Description of Site
Attachment No. 2 - Perimeter Plot Plan
Attachment No. 3 - Legal Description of Developer Parcels
Attachment No. 4 - Site Plan
Attachment No. 5 - Scope of Development
Attachment No. 6 - Schedule of Performance
Attachment No. 7A- Hotel Lease
Attachment No. 7B- ARE/Retail Lease
Attachment No. 7C- CB-3 Sublease between the Agency and the Developer

Attachment No. 8A- Hotel Lease Guarantee
Attachment No. 8B- ARE/Retail Lease Guarantee
Attachment No. 8C- CB-3 Sublease Guarantee
Attachment No. 9 - Hotel Escrow Instructions
Attachment No. 10 - Hotel Business Letter
Attachment No. 11 - Rouse Business Letter
Attachment No. 12 - Jessie Street Sublease
Attachment No. 13 - Approved Title Exceptions
Attachment No. 14A- Deed to CB-1 Office
Attachment No. 14B- Deed to CB-1 Residential
Attachment No. 14C- Deed to EB-2 Office
Attachment No. 14D- Deed to EB-2 Residential
Attachment No. 15A- Quitclaim Deed - CB-1 Office
Attachment No. 15B- Quitclaim Deed - CB-1 Residential
Attachment No. 15C- Quitclaim Deed - EB-2 Office
Attachment No. 15D- Quitclaim Deed - EB-2 Residential
Attachment No. 15E- Escrow Instructions for Quitclaims
Attachment No. 16 - REA
Attachment No. 17 - Retail/Residential REA
Attachment No. 18 - Form of Permit to Enter
Attachment No. 19 - Omitted Intentionally
Attachment No. 20 - Form of Construction Inspection Certificate
Attachment No. 21 - Affirmative Action Plan
Attachment No. 22 - Mitigation Measures
Attachment No. 23A- Memorandum of Agreement - Jessie St. Substation
Attachment No. 23B- Memorandum of Agreement - Williams Building
Attachment No. 24 - DDA Guaranty
Attachment No. 25 - Form of Certificate of Completion and Right to Occupy
Attachment No. 26A- CB-3 Coordination Agreement
Attachment No. 26B- CB-3 Agreement to Lease
Attachment No. 27 - Sublease of CB-3 between the City and the Agency
Attachment No. 28 - CB-3 Easement Agreement
Attachment No. 29 - Omitted Intentionally
Attachment No. 30A- Quitclaim re: Hotel Parcels
Attachment No. 30B- Quitclaim re: CB-1 Office Building Parcels
Attachment No. 30C- Quitclaim re: CB-1 Residential Parcel

Attachment No. 30D- Quitclaim re: ARE, Retail and Parking
Parcels

Attachment No. 30E- Quitclaim re: CB-3 Parcels

: Attachment No. 30F- Quitclaim re: EB-2 Office Parcel

Attachment No. 30G- Quitclaim re: Residential Parcel

Attachment No. 31 - Escrow Instructions for Quitclaims

ATTACHMENT 1

(D.D.A.)

LEGAL DESCRIPTION OF CB-1, CB-2, CB-3 AND EB-2 REAL PROPERTY
(THE "SITE")

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CENTRAL BLOCK 1:

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 304.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 160.052 FEET TO THE SOUTHEASTERLY LINE OF JESSIE STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF JESSIE STREET 34.15 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100.547 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 239.407 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 105.167 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 185 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF THIRD STREET 220 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 115 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHWESTERLY 65.241 FEET; WESTERLY 35.355 FEET; NORTHWESTERLY 45 FEET; SOUTHWESTERLY 25.083 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE NORTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 105 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10.083 FEET TO A POINT DISTANT 325.241 FEET SOUTHWESTERLY AT A RIGHT ANGLE TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF THIRD STREET 100 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MARKET STREET 350.602 FEET TO A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET, SAID POINT BEING ON THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE SOUTHEASTERLY ALONG THE NORTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET AND ALSO ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 205 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF STEVENSON STREET 150.111 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 345.223 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362 AND PORTIONS OF OPERA ALLEY, JESSIE STREET AND STEVENSON STREET.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 26 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF STEVENSON STREET AT A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET, A DISTANCE OF 90 FEET TO THE NORTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 35 FEET TO THE NORTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 90 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF STEVENSON STREET 35 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF STEVENSON STREET.

NOTE:

THOSE PORTIONS OF THE SITE LOCATED WITHIN PRESENTLY EXISTING CITY STREETS ARE TO BE OBTAINED BY THE S.F.R.A. AS INDICATED ON THE PERIMETER PLOT PLAN WHICH IS ATTACHMENT NO. 2 TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND AS PROVIDED IN THE DISPOSITION AND DEVELOPMENT AGREEMENT.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CENTRAL BLOCK 2:

PARCEL ONE:

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 550.25 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 825.954 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 550.25 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 825.954 FEET TO THE POINT OF BEGINNING.

BEING ALL OF 100 VARA BLOCK NO. 363 AND PORTIONS OF MINNA STREET AND NATOMA STREET, VACATED BY RESOLUTION NO. 672-71 AND RESOLUTION NO. 106-75, ADOPTED NOVEMBER 29, 1971 AND FEBRUARY 3, 1975, RESPECTIVELY, BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

TOGETHER WITH: (TO BE OBTAINED BY S.F.R.A PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT).

AN EASEMENT FOR THE PURPOSE OF A PEDESTRIAN BRIDGE OVER MISSION STREET, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 37 FEET AND THE OTHER AT ELEVATION 63 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 230 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 82.50 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 82.50 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 30 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF AIRSPACE OF MISSION STREET.

PARCEL TWO: (TO BE OBTAINED BY S.F.R.A. PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT).

PEDESTRIAN TUNNEL BELOW MISSION STREET

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 4 FEET AND THE OTHER AT ELEVATION 19 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 170 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 82.50 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 46 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 82.50 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 46 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF SUBSURFACE AREA OF MISSION STREET.

NOTE:

THOSE PORTIONS OF THE SITE LOCATED WITHIN PRESENTLY EXISTING CITY STREETS ARE TO BE OBTAINED BY THE S.F.R.A. AS INDICATED ON THE PERIMETER PLOT PLAN WHICH IS ATTACHMENT NO. 2 TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND AS PROVIDED IN THE DISPOSITION AND DEVELOPMENT AGREEMENT.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CENTRAL BLOCK 3: (TO BE OBTAINED BY THE S.F.R.A. FROM THE CITY AND COUNTY OF SAN FRANCISCO PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT).

ALL THAT REAL PROPERTY, THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING TO INFINITY ABOVE. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF FOLSOM STREET AT A POINT DISTANT THEREON 67.987 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF FOLSOM STREET 524 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 90 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 41.013 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 67.68 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 218 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 9 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 64 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 9 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 87.987 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 40.82 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 61 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 45 FEET TO THE BEGINNING OF A CURVE HAVING A RADIUS OF 115 FEET AND WHOSE RADIUS POINT IS LOCATED 305.50 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG SAID CURVE 150.92 FEET TO THE POINT OF INTERSECTION OF SAID CURVE WITH A SECOND CURVE HAVING A RADIUS OF 68 FEET AND WHOSE RADIUS POINT IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE EASTERLY ALONG SAID SECOND CURVE 76.42 FEET TO A POINT WHICH IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 480.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF FOLSOM STREET 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 123 FEET TO A POINT 10 FEET NORTHWESTERLY FROM AND MEASURED AT RIGHT ANGLES TO THE NORTHWESTERLY LINE OF FOLSOM STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY PARALLEL WITH SAID LINE OF FOLSOM STREET 425 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

TOGETHER WITH: (TO BE OBTAINED BY S.F.R.A. PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT).

AN EASEMENT FOR THE PURPOSE OF A PEDESTRIAN BRIDGE OVER HOWARD STREET, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.50 FEET AND THE OTHER AT ELEVATION 58.50 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 200 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 82.50 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 82.50 FEET TO THE SOUTHEASTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 30 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF AIRSPACE OF HOWARD STREET.

ALSO TOGETHER WITH: (TO BE OBTAINED BY S.F.R.A. PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT).

AN EASEMENT FOR THE PURPOSE OF A PEDESTRIAN BRIDGE OVER HOWARD STREET, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 35.20 FEET AND THE OTHER AT ELEVATION 58.00 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 235 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 82.50 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 82.50 FEET TO THE SOUTHEASTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 30 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF AIRSPACE OF HOWARD STREET.

ALSO TOGETHER WITH: (TO BE OBTAINED BY THE S.F.R.A. FROM THE CITY AND COUNTY OF SAN FRANCISCO).

AN EASEMENT FOR THE PURPOSE OF A PEDESTRIAN BRIDGE, APPROXIMATELY 15 FEET IN WIDTH, LOCATED WITHIN ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.50 FEET AND THE OTHER AT ELEVATION 58.50 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 200 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 116.32 FEET TO A POINT DISTANT 444 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF FOLSOM STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE SOUTHEASTERLY LINE OF HOWARD STREET 7.013 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 90 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 22.987 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 26.32 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

ALSO TOGETHER WITH: (TO BE OBTAINED BY THE S.F.R.A. FROM THE CITY AND COUNTY OF SAN FRANCISCO).

AN EASEMENT FOR THE PURPOSE OF A PEDESTRIAN BRIDGE, APPROXIMATELY 15 FEET IN WIDTH, LOCATED WITHIN ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 35.20 FEET AND THE OTHER AT ELEVATION 58.00 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 235 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 184 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 184 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

NOTE:

THOSE PORTIONS OF THE SITE LOCATED WITHIN PRESENTLY EXISTING CITY STREETS ARE TO BE OBTAINED BY THE S.F.R.A. AS INDICATED ON THE PERIMETER PLOT PLAN WHICH IS ATTACHMENT NO. 2 TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND AS PROVIDED IN THE DISPOSITION AND DEVELOPMENT AGREEMENT.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

EAST BLOCK 2:

PARCEL ONE:

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF THIRD STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 206.25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.151 FEET TO THE NORTHWESTERLY LINE OF MINNA STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MINNA STREET 206.25 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 160.151 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 355.

PARCEL TWO:

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET AND THE NORTHWESTERLY LINE OF HOWARD STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF HOWARD STREET 160 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 140.25 FEET TO THE NORTHWESTERLY LINE OF HUNT STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF HUNT STREET 115 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 215.333 FEET TO THE SOUTHEASTERLY LINE OF MINNA STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF MINNA STREET 275 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF THIRD STREET 355.583 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 355, A PORTION OF HUNT STREET TO BE VACATED PER RES. NO. 755-79 AND ALL OF MASSETT PLACE TO BE VACATED PER RES. NO.755-79.

PARCEL THREE: (IF OBTAINED BY THE S.F.R.A. FROM THE CITY OF SAN FRANCISCO)

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 32.4 FEET BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MINNA STREET WITH THE NORTHEASTERLY LINE OF THIRD STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MINNA STREET 206.25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 34.75 FEET TO THE SOUTHEASTERLY LINE OF MINNA STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG THE SAID LINE OF MINNA STREET 206.25 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE

PARCEL THREE (con't)

NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 34.75 FEET TO THE POINT OF BEGINNING.

BEING THAT PORTION OF AIRSPACE ABOVE MINNA STREET WHICH IS THE SUBJECT OF A PROPOSED VACATION.

NOTE:

THOSE PORTIONS OF THE SITE LOCATED WITHIN PRESENTLY EXISTING CITY STREETS ARE TO BE OBTAINED BY THE S.F.R.A. AS INDICATED ON THE PERIMETER PLOT PLAN WHICH IS ATTACHMENT NO. 2 TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND AS PROVIDED IN THE DISPOSITION AND DEVELOPMENT AGREEMENT.



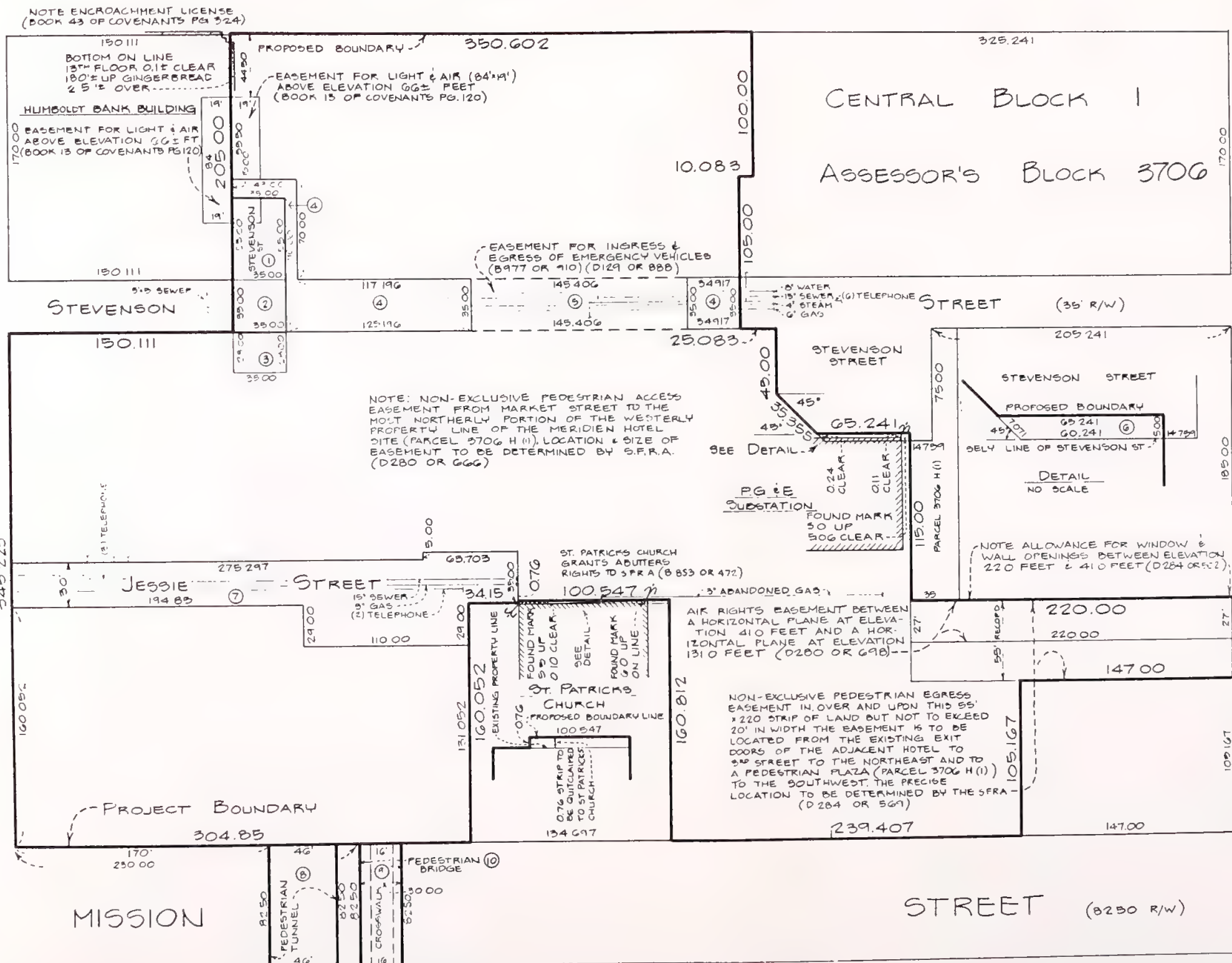
MARKET STREET (120' R/W)

FOURTH STREET (82.50' R/W)

THIRD STREET (82.50' R/W)

THIRD STREET (82.50' R/W)

THIRD STREET (82.50' R/W)



MISSION

STREET (82.50 R/W)

CENTRAL BLOCK 2

ASSESSOR'S BLOCK 3723

5' ABANDONED GAS

5' ABANDONED GAS

4' ABANDONED GAS

PROJECT BOUNDARY

HOWARD

STREET

(82.50 R/W)

SEE SHEET 3

- (8) PARTIAL STREET VACATION TO BE QUITCLAIMED TO THE S.F.R.A. BETWEEN ELEVATION 4 FEET AND ELEVATION 19 FEET FOR THE PURPOSE OF A PEDESTRIAN TUNNEL UNDER MISSION STREET.
- (9) REQUEST FOR CROSSWALK. LOCATION SHOWN IS ILLUSTRATIVE ONLY. FINAL LOCATION TO BE MUTUALLY AGREED UPON.
- (10) EASEMENT TO BE QUITCLAIMED TO THE S.F.R.A. BETWEEN ELEVATION 37 FEET AND ELEVATION 63 FEET FOR THE PURPOSE OF A PEDESTRIAN BRIDGE ACROSS MISSION STREET.
- (11) EASEMENT TO BE QUITCLAIMED TO THE S.F.R.A. BETWEEN ELEVATION 34.5 FEET AND ELEVATION 58.5 FEET FOR THE PURPOSE OF A PEDESTRIAN BRIDGE ACROSS HOWARD STREET.
- (12) EASEMENT TO BE QUITCLAIMED TO THE S.F.R.A. BETWEEN ELEVATION 35.2 FEET AND ELEVATION 58.0 FEET FOR THE PURPOSE OF A PEDESTRIAN BRIDGE ACROSS HOWARD STREET.

DATE 4-30-84
SCALE 1"=40'
DESIGNER
DRAWNMARTIN M. RON, ASSOC.
Land Surveyors
904 MISSION STREET, SAN FRANCISCO, CA 94108
(415) 543 4008CB2 YERBA BUENA GARDENS
PERIMETER PLOT PLAN AND
PROPOSED STREET VACATIONS

SHEET 2

OF 4

CALIFORNIA NO.

SURVEY REFERENCE

TICOR TITLE INSURANCE COMPANY PRELIMINARY REPORT NO. 900982-2
DATED JULY 17, 1984.

BASIS OF SURVEY

ALL STREETS AND STREET LINES ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED, "RECORD OF SURVEY MAP OF YERBA BUENA CENTER CENTRAL BLOCKS", RECORDED FEBRUARY 19, 1975, IN BOOK "V" OF MAPS, AT PAGES 102 AND 103, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO.

ELEVATION NOTE

ALL ELEVATIONS REFERRED TO HEREON ARE ON CITY OF SAN FRANCISCO DATUM.

UTILITY NOTE

ALL UNDERGROUND UTILITIES SHOWN ON THIS DRAWING ARE FROM RECORDS OF THE VARIOUS UTILITY COMPANIES AND THE SURVEYOR DOES NOT ASSUME RESPONSIBILITY FOR THEIR COMPLETENESS, INDICATED LOCATION OR SIZE. RECORD UTILITY LOCATION SHOULD BE CONFIRMED BY EXPOSING THE UTILITY.

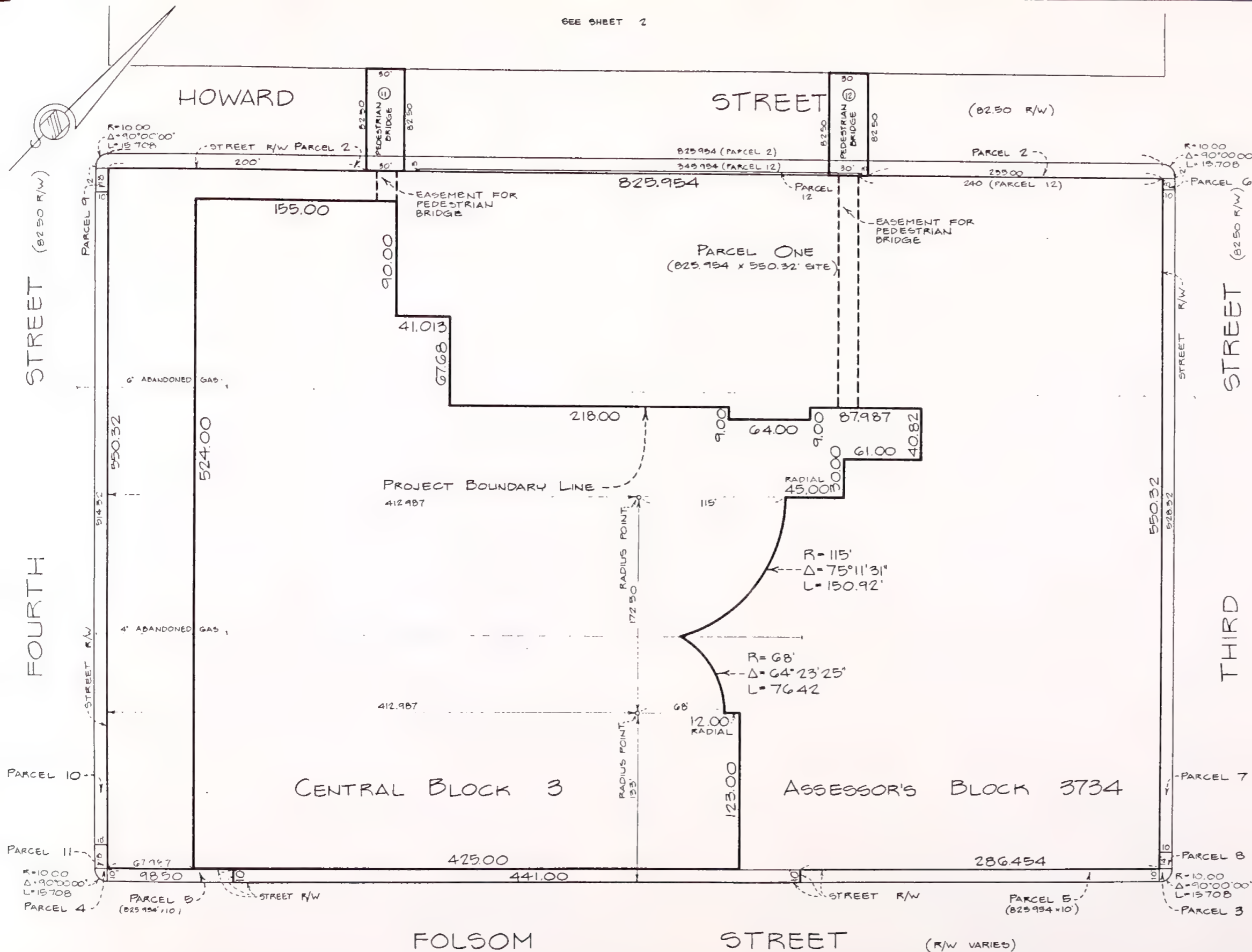
GENERAL NOTES

PREMISES LIES WITHIN THE BOUNDS OF YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA D-1.

PREMISES ARE SUBJECT TO ANY AND ALL EXISTING EASEMENTS FOR PUBLIC UTILITIES AND FOR INGRESS AND EGRESS OVER ALL OR ANY PORTION OF VACATED STREETS.

PLEASE NOTE ANY RIGHT, TITLE OR INTEREST OF PERSONS, KNOWN OR UNKNOWN, WHO CLAIM OR MAY CLAIM ADVERSITY TO THE VESTED OWNERS HEREIN, BY REASON OF THE RECORD TITLE TO SAID PROPERTY NOT HAVING BEEN ESTABLISHED AND QUIETED UNDER THE PROVISIONS OF THE MC ENERNEY ACT, SO-CALLED.

ALL ANGLES ARE 90° UNLESS NOTED OTHERWISE.



PARCEL	VERTICAL BOUNDARIES
2	BELOW A HORIZONTAL PLANE AT ELEVATION 19.5 FEET
3	BELOW A HORIZONTAL PLANE AT ELEVATION 14.5 FEET
4	BELOW A HORIZONTAL PLANE AT ELEVATION 5.5 FEET
5	BELOW A SLOPED PLANE WITH ELEVATION 5.5 FEET AT ITS SOUTHWESTERLY LINE AND ELEVATION 14.5 FEET AT ITS NORTHEASTERLY LINE
6	BELOW A SLOPED PLANE WITH ELEVATION 19.5 FEET AT ITS NORTHWESTERLY LINE AND ELEVATION 19.43 FEET AT ITS SOUTHEASTERLY LINE
7	BELOW A SLOPED PLANE WITH ELEVATION 29.43 FEET AT ITS NORTHWESTERLY LINE AND ELEVATION 24.63 FEET AT ITS SOUTHEASTERLY LINE
8	BELOW A SLOPED PLANE WITH ELEVATION 14.63 FEET AT ITS NORTHWESTERLY LINE AND ELEVATION 14.5 FEET AT ITS SOUTHEASTERLY LINE
9	BELOW A SLOPED PLANE WITH ELEVATION 19.5 FEET AT ITS NORTHWESTERLY LINE AND ELEVATION 19.01 FEET AT ITS SOUTHEASTERLY LINE
10	BELOW A SLOPED PLANE WITH ELEVATION 29.04 FEET AT ITS NORTHWESTERLY LINE AND ELEVATION 15.96 FEET AT ITS SOUTHEASTERLY LINE
11	BELOW A SLOPED PLANE WITH ELEVATION 5.96 FEET AT ITS NORTHWESTERLY LINE AND ELEVATION 5.5 FEET AT ITS SOUTHEASTERLY LINE
12	BETWEEN HORIZONTAL PLANES AT ELEVATION 19.5 FEET AND ELEVATION 29.5 FEET

PARCEL DESIGNATIONS ARE PER TICOR PRELIMINARY REPORT NO. 900982-3 DATED JULY 17, 1984. TITLE TO PARCELS ARE VESTED IN THE S.F.R.A.

- ⑪ EASEMENT TO BE QUITCLAIMED TO THE S.F.R.A. BETWEEN ELEVATION 34.5 FEET AND ELEVATION 58.5 FEET FOR THE PURPOSE OF A PEDESTRIAN BRIDGE ACROSS HOWARD STREET.
- ⑫ EASEMENT TO BE QUITCLAIMED TO THE S.F.R.A. BETWEEN ELEVATION 35.2 FEET AND ELEVATION 58.0 FEET FOR THE PURPOSE OF A PEDESTRIAN BRIDGE ACROSS HOWARD STREET.

SURVEY REFERENCE

TICOR TITLE INSURANCE COMPANY PRELIMINARY REPORT NO. 900982-3 DATED JULY 17, 1984.

BASIS OF SURVEY

ALL STREETS AND STREET LINES ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED, "RECORD OF SURVEY MAP OF YERBA BUENA CENTER CENTRAL BLOCKS", RECORDED FEBRUARY 19, 1975, IN BOOK "Y" OF MAPS, AT PAGES 102 AND 103, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO.

ELEVATION NOTE

ALL ELEVATIONS REFERRED TO HEREON ARE ON CITY OF SAN FRANCISCO DATUM.

UTILITY NOTE

ALL UNDERGROUND UTILITIES SHOWN ON THIS DRAWING ARE FROM RECORDS OF THE VARIOUS UTILITY COMPANIES AND THE SURVEYOR DOES NOT ASSUME RESPONSIBILITY FOR THEIR COMPLETENESS, INDICATED LOCATION OR SIZE. RECORD UTILITY LOCATION SHOULD BE CONFIRMED BY EXPOSING THE UTILITY.

GENERAL NOTES

PREMISES LIES WITHIN THE BOUNDS OF YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA D-1.

PLEASE NOTE EASEMENTS IN FAVOR OF METCH METCH WATER AND POWER DEPARTMENT AND THE BUREAU OF LIGHT HEAT AND POWER OF THE CITY AND COUNTY OF SAN FRANCISCO FOR PUBLIC UTILITIES AND EASEMENTS FOR INGRESS AND EGRESS IN CONNECTION THEREWITH, OVER ALL OR ANY PORTION OF VACATED STREETS LYING WITHIN SAID LAND FOR PERMANENT SPACE IN THE SIDEWALK AREAS FOR FUTURE INSTALLATION OF STREET LIGHTS, TROLLEY POLES, FOUNDATIONS, CONDUIT AND PULLBOXES, ALONG WITH THE NECESSARY RIGHTS TO MAINTAIN AND MODIFY THESE FACILITIES. (C707 O.R. 852) AFFECTS PARCELS TWO THROUGH TWELVE.

ALL ANGLES ARE 90° UNLESS NOTED OTHERWISE.

MARTIN M. RON, ASSOC.
Land Surveyors
884 MISSION STREET, SAN FRANCISCO, CA 94103
(415) 843-0088

CB3 YERBA BUENA GARDENS
PERIMETER PLOT PLAN AND
PROPOSED STREET VACATIONS
SAN FRANCISCO, CALIFORNIA

SHEET 3
OF 4
DRAWING NO. 111-115

MISSION

STREET

(82.50 R/W)

STREET

MONTGOMERY

NEW

STREET

SECOND

STREET

STREET

(55' R/W)

STREET

(82.50 R/W)

HOWARD

- 13 REQUEST FOR PARTIAL STREET VACATION TO BE QUITCLAIMED TO THE S.F.R.A. IN FEE AT ELEVATION 32.4 FEET AND ABOVE.
- 14 EXTENSION OF TERMINAL DATE OF VACATION LEGISLATION OF MASSETT PLACE UNTIL AUGUST 1988.
- 15 EXTENSION OF TERMINAL DATE OF VACATION LEGISLATION OF HUNT STREET UNTIL AUGUST 1988.
- 16 EASEMENT TO BE DEEDED TO THE CITY FOR STREET PURPOSES OVER THE SURFACE AREA BETWEEN ELEVATION 15.0 FEET AND ELEVATION 31.7 FEET.

SURVEY REFERENCE

TICOR TITLE INSURANCE COMPANY PRELIMINARY REPORT NO. 900982-4 DATED JULY 17, 1984 AND TICOR TITLE INSURANCE COMPANY PRELIMINARY REPORT NO. 900982-5 DATED JULY 17, 1984.

BASIS OF SURVEY

CITY OF SAN FRANCISCO MONUMENT MAP NO. 316
BLOCK DIAGRAM OF THE "100 YARA BLOCK 355" DATED NOVEMBER 15, 1909
AND FILED IN BOOK 32 PAGES 61-69 D.P.W.

ELEVATION NOTE

ALL ELEVATIONS REFERRED TO HEREON ARE ON CITY AND COUNTY OF SAN FRANCISCO DATUM.

UTILITY NOTE

ALL UNDERGROUND UTILITIES SHOWN ON THIS DRAWING ARE FROM RECORDS OF THE VARIOUS UTILITY COMPANIES AND THE SURVEYOR DOES NOT ASSUME RESPONSIBILITY FOR THEIR COMPLETENESS, INDICATED LOCATION OR SIZE. RECORD UTILITY LOCATION SHOULD BE CONFIRMED BY EXPOSING THE UTILITY.

GENERAL NOTES

PREMISES LIES WITHIN THE BOUNDS OF YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA D-1.

DETAILS NEAR PROPERTY LINES ARE NOT TO SCALE.

ALL ANGLES ARE 90° UNLESS NOTED OTHERWISE.

PLEASE NOTE ACTION TO QUIET TITLE "MC ENEKEY ACTION". NOTICE OF PENDENCY OF SAID ACTION RECORDED AUGUST 9, 1983 IN BOOK D563 PAGE 159 D.R.

MARTIN M. RON, ASSOC.
Land Surveyors
804 MISSION STREET, SAN FRANCISCO, CA 94108
(415) 343-5300

EB2 YERBA BUENA GARDENS
PERIMETER PLOT PLAN AND
PROPOSED STREET VACATIONS

SHEET

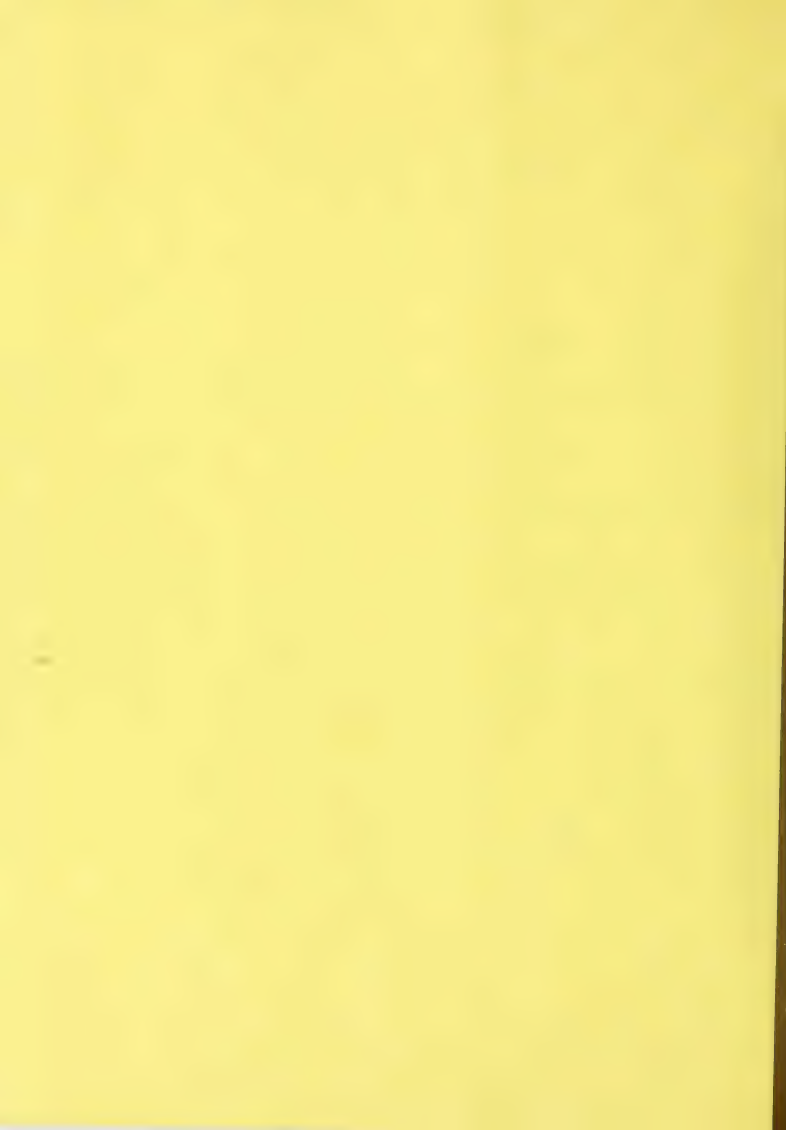
OF

DRAWING NO.

DATE

BY

DATE



ATTACHMENT 3

(D.D.A.)

LEGAL DESCRIPTION OF DEVELOPER PARCELS

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB 1 HOTEL PARCEL

LEVELS A, B, C, D, E AND F

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 304.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 160.052 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 3.863 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 291.671 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MARKET STREET 113.889 FEET TO A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET, SAID POINT BEING ON THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG THE NORTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET AND ALSO ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 205 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF STEVENSON STREET 150.111 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 345.223 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362 AND PORTIONS OF STEVENSON AND JESSIE STREETS.

EXCEPTING THEREFROM:

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 254 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 50.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 160.052 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 3.863 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 247.171 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 407.223 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

ALSO EXCEPTING THEREFROM:

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 34.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 308.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 44.50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 54.713 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

ALSO EXCEPTING THEREFROM:

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 26 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF STEVENSON STREET AT A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET, A DISTANCE OF 90 FEET TO THE NORTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 35 FEET TO THE NORTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 90 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF STEVENSON STREET 35 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF STEVENSON STREET.

ALSO EXCEPTING THEREFROM THE FOLLOWING 8 RETAIL (HOTEL) PARCELS:

LEVEL B

CB1:R1B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 308.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MARKET STREET 113.889 FEET TO A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET 58 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 50 FEET; THENCE EASTERLY 33.60 FEET TO A POINT DISTANT 465.223 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET AND DISTANT 220.111 FEET NORTHEASTERLY AT A RIGHT ANGLE TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 78 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

LEVEL C

CB1:R1C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 225.33 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 189.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 83 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20.219 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 135 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 48.889 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 218 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28.67 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 164 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 29 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 136 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 165 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 90 FEET TO THE POINT OF BEGINNING.

CB1:R3C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 185.111 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A DISTANCE OF 309.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY CONTINUING ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET, A DISTANCE OF 126 FEET TO THE NORTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 98 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL D

CB1:R1D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 52.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 185.111 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 496.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 27 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 35 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 57 FEET; THENCE NORTHERLY A DISTANCE OF 46.10 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 52.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 205.111 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 59 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 5 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 24 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 27 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL E

CB1:RIE

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 225.33 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 187.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 83 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20.219 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 137 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 48.889 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 220 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28.67 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 179 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 110 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 110 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 75 FEET TO THE POINT OF BEGINNING.

EACH OF THE ABOVE 8 RETAIL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 362.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 RETAIL (HOTEL) PARCELS (8 PARCELS)

LEVEL B

CB1:R1B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

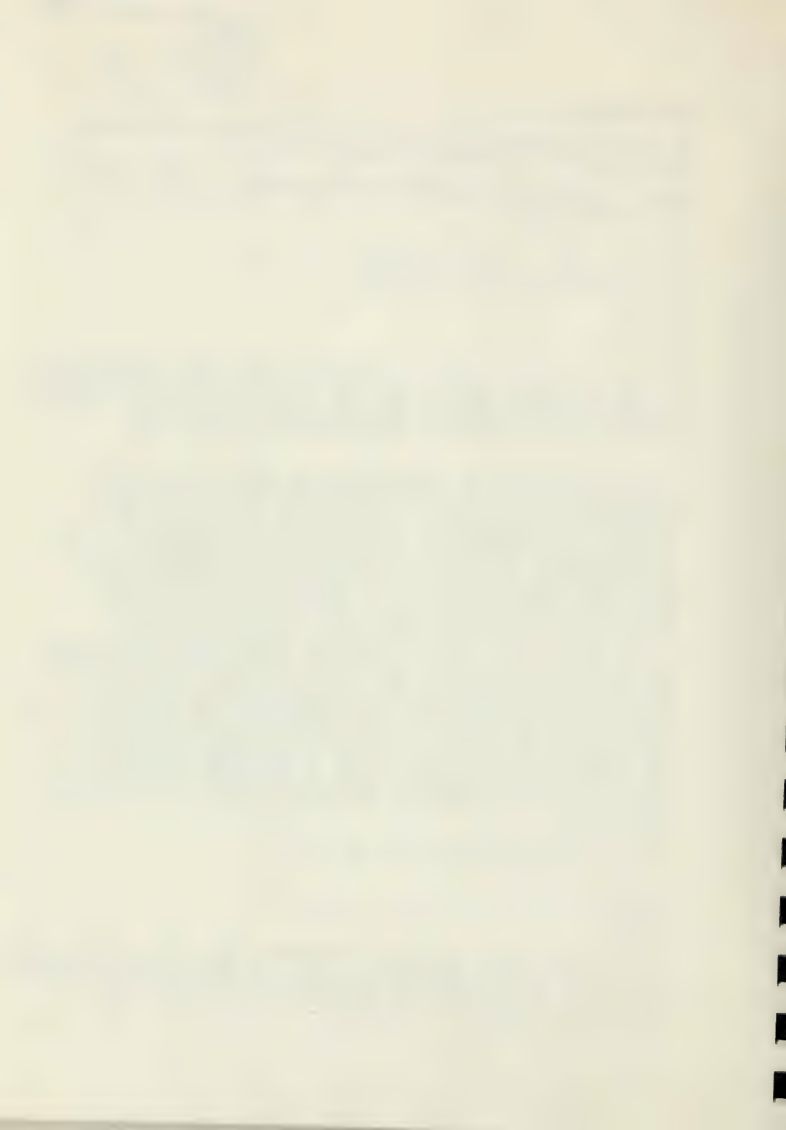
BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 308.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MARKET STREET 113.889 FEET TO A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET 58 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 50 FEET; THENCE EASTERLY 33.60 FEET TO A POINT DISTANT 465.223 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET AND DISTANT 220.111 FEET NORTHEASTERLY AT A RIGHT ANGLE TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET 30 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 78 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

LEVEL C

CB1:R1C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:



BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 225.33 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 189.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 83 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20.219 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 135 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 48.889 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 218 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28.67 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 164 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 29 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 136 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 165 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 90 FEET TO THE POINT OF BEGINNING.

CB1:R3C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 185.111 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A DISTANCE OF 309.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY CONTINUING ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET, A DISTANCE OF 126 FEET TO THE NORTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 98 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20 FEET TO THE TRUE POINT OF BEGINNING.



LEVEL D

CB1:R1D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 52.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 185.111 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 496.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 27 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 35 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 57 FEET; THENCE NORTHERLY A DISTANCE OF 46.10 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 52.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 205.111 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 59 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 5 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 24 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 27 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL E

CB1:R1E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 225.33 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 187.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 83 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20.219 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 137 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 48.889 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 220 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28.67 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 179 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 110 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 110 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 75 FEET TO THE POINT OF BEGINNING.

EACH OF THE ABOVE 8 RETAIL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 362.



LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 OFFICE PARCEL

LEVELS A, B, C, D, E AND F

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE AT MISSION STREET 264 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 451.723 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MARKET STREET 236.713 FEET TO A POINT DISTANT THEREON 325.241 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF MARKET STREET 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 10.083 FEET TO THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG THE NORTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 105 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: NORTHEASTERLY 25.083 FEET; SOUTHEASTERLY 45 FEET; EASTERLY 35.355 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF STEVENSON STREET 232 FEET TO A POINT 308.713 FEET NORTHEASTERLY FROM AND AT RIGHT ANGLES TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 176.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362 AND PORTIONS OF STEVENSON STREET.

EXCEPTING THEREFROM 5 RETAIL (OFFICE) PARCELS MORE PARTICULARLY DESCRIBED AS FOLLOWS:



LEVEL B

CB1:R2B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 308.713 FEET; THENCE AT RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MARKET STREET 76.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 143 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 32 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL C

CB1:R4C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 540.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 275.223 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY AND SOUTHERLY LINES OF STEVENSON STREET, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF STEVENSON STREET 232 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 71 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 110.917 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHEASTERLY 2 FEET; NORTHEASTERLY 25.083 FEET; SOUTHEASTERLY 45 FEET; EASTERLY 35.355 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL D

CB1:R4D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:



BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 321.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 56.50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 32 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 27 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 74.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 42 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 58 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R5D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 458.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 463.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 87 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MARKET STREET 42 FEET TO A POINT DISTANT THEREON 325.241 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF MARKET STREET 57 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL E

CB1:R4E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:



BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 540.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 275.223 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY AND SOUTHERLY LINES OF STEVENSON STREET, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF STEVENSON STREET 232 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 71 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 29 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 110.917 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHEASTERLY 33 FEET; NORTHEASTERLY 25.083 FEET; SOUTHEASTERLY 45 FEET; EASTERLY 35.355 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE 5 RETAIL PARCELS ARE A PORTION OF 100 VARA BLOCK NO. 362.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 RESIDENTIAL PARCEL (LOWER LEVELS)

LEVELS A AND B

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 599.454 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 79.50 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 160.223 FEET TO A POINT DISTANT 185 FEET SOUTHEASTERLY AT A RIGHT ANGLE FROM THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 79.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.223 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362 AND A PORTION OF JESSIE STREET VACATED PER RESOLUTION NUMBER 106-75.

CB1 RESIDENTIAL PARCEL (UPPER LEVELS)

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 599.454 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 79.50 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 123 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 79.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 123 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED RETAIL (RESIDENTIAL) PARCEL

LEVEL C

CB1:R11C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 599.454 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 18 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 105 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 79.50 FEET TO A POINT DISTANT 147 FEET SOUTHWESTERLY AT A RIGHT ANGLE TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF THIRD STREET 53 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 38 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 52 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 41.50 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

"JESSIE STREET SUBSTATION" (LOWER LEVEL)

CB1:R6C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 388.894 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 195.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 80 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET 212 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 80 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 212 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

"JESSIE STREET SUBSTATION" (UPPER LEVEL)

CB1:R6E

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 388.894 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 195.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 80 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET 212 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 80 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 212 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 RETAIL (OFFICE) PARCELS (5 PARCELS)

LEVEL B

CB1:R2B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 308.713 FEET; THENCE AT RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MARKET STREET 76.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 143 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 32 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL C

CB1:R4C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 540.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 275.223 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY AND SOUTHERLY LINES OF STEVENSON STREET, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF STEVENSON STREET 232 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 71 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 110.917 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHEASTERLY 2 FEET; NORTHEASTERLY 25.083 FEET; SOUTHEASTERLY 45 FEET; EASTERLY 35.355 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL D

CB1:R4D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 321.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 56.50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 32 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 27 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 74.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 42 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 58 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R5D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:



BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 458.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 463.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 87 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MARKET STREET 42 FEET TO A POINT DISTANT THEREON 325.241 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF MARKET STREET 57 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30 FEET TO THE TRUE POINT OF BEGINNING.

LÉVEL E

CB1:R4E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 540.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 275.223 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY AND SOUTHERLY LINES OF STEVENSON STREET, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF STEVENSON STREET 232 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 71 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 29 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 110.917 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHEASTERLY 33 FEET; NORTHEASTERLY 25.083 FEET; SOUTHEASTERLY 45 FEET; EASTERLY 35.355 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE 5 RETAIL PARCELS ARE A PORTION OF 100 VARA BLOCK NO. 362.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY
OF SAN FRANCISCO DATUM.

CB1 RETAIL (RESIDENTIAL) PARCEL

CB1:R11C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0
FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL
PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF
SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION
STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY
ALONG SAID LINE OF MISSION STREET 599.454 FEET; THENCE AT A RIGHT ANGLE
NORTHWESTERLY 18 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY
PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 105 FEET; THENCE
AT A RIGHT ANGLE NORTHEASTERLY 79.50 FEET TO A POINT DISTANT 147 FEET
SOUTHWESTERLY AT A RIGHT ANGLE TO THE SOUTHWESTERLY LINE OF THIRD STREET;
THENCE SOUTHEASTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF THIRD STREET
53 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 38 FEET; THENCE AT A RIGHT
ANGLE SOUTHEASTERLY 52 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 41.50
FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 RETAIL (OTHER) PARCELS (12 PARCELS)

CB1:R1A

LEVEL A

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 14.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 439.547 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 160.812 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100.547 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30.287 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 115.171 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 297.241 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 115 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 6.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.223 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 159.907 FEET TO THE POINT OF BEGINNING.

CB1:R2A

LEVEL A

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 14.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 678.954 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 105.167 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 55.056 FEET TO A POINT DISTANT 185 FEET SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE NORTHEASTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 105.167 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF MISSION STREET; THENCE SOUTHWESTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R3B

LEVEL B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 24.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 439.547 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 160.812 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100.547 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30.287 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 115.171 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 297.241 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 115 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 6.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.223 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 159.907 FEET TO THE POINT OF BEGINNING.

CB1:R4B

LEVEL B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 24.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 678.954 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 105.167 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 55.056 FEET TO A POINT DISTANT 185 FEET SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE NORTHEASTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 105.167 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF MISSION STREET; THENCE SOUTHWESTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE TRUE POINT OF BEGINNING.

CB1: R5C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 298.894 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 200.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 10 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 9.819 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 65 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET 80.181 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R7C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 254 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO TO THE NORTHWESTERLY LINE OF MISSION STREET 407.223 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 197 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 9.819 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 45 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 84.411 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 34.044 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 50.85 FEET TO THE POINT OF BEGINNING.

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 254 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT TO SAID LINE OF MISSION STREET 215.223 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 44.894 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 15 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 54.411 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 34.044 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 50.85 FEET TO THE POINT OF BEGINNING.

THE ABOVE TWO AREAS COMPRISE CB1: R7C

CB1: R8C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 304.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 15.812 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 160.052 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 34.15 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 15.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET TO THE TRUE POINT OF BEGINNING.

CB1: R9C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 439.547 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 160.812 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 50.653 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 34.411 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 212 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 80 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 5.06 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 152.223 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 6.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 123 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 159.907 FEET TO THE POINT OF BEGINNING.

CB1: R10C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 678.954 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 105.167 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 185 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 220 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET 37.223 FEET TO A POINT DISTANT 123 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE NORTHEASTERLY PARALLEL WITH SAID LINE OF MISSION STREET 73 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 17.833 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R3D

LEVELS D AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 34.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 254 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY PARALLEL WITH NORTHWESTERLY LINE OF MISSION STREET 54.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 44.50 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R3E

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 254 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 215.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 192 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 192 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 54.713 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R5E

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET,
BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN
LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION
STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY
ALONG SAID LINE OF MISSION STREET 298.894 FEET; THENCE AT A RIGHT ANGLE
NORTHWESTERLY 200.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH-
WESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 15 FEET;
THENCE AT A RIGHT ANGLE NORTHEASTERLY 9.819 FEET; THENCE AT A RIGHT ANGLE
NORTHWESTERLY 60 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY
LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE
SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET 80.181 FEET;
THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE
SOUTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15 FEET;
THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE 12 RETAIL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 362.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 HOTEL PARCEL 1

LEVELS A AND B

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHEASTERLY LINE OF FOURTH STREET AT A POINT DISTANT THEREON 142.25 FEET NORTHWESTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 408 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 260 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 255 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 92.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 153 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 352.50 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

CB2 HOTEL PARCEL 2 (PEDESTRIAN TUNNEL) (TO BE OBTAINED BY S.F.R.A. PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT)

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 4 FEET AND THE OTHER AT ELEVATION 19 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 170 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 82.50 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 46 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 82.50 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 46 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF SUBSURFACE AREA OF MISSION STREET.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 PARKING PARCEL

LEVELS A AND B

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 585.954 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 243 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 240 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 307.25 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 565.954 FEET TO A POINT DISTANT THEREON 260 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF MISSION STREET 255 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 92.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 153 FEET TO A POINT DISTANT 142.25 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF HOWARD STREET 352.50 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 142.25 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 A.R.E. PARCEL 1 (RECREATIONAL)

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHEASTERLY LINE OF FOURTH STREET AT A POINT DISTANT THEREON 292.25 FEET NORTHWESTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE NORTHEASTERLY AT A RIGHT ANGLE TO SAID LINE OF FOURTH STREET 157 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 208 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 110 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 47 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 178 FEET TO THE POINT OF BEGINNING.

CB2 A.R.E. PARCEL 2 (LEARNING GARDEN)

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 178 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 55 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 85 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 158 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 140 FEET TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 RETAIL PARCEL 1

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 21.5 FEET AND THE OTHER AT ELEVATION 41.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 140 FEET NORTHEASTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 292.25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 17 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 208 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 110 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 47 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 80 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 278 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 316.00 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 7 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 234.25 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 131 FEET TO THE POINT OF BEGINNING.

LEVEL D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 41.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 271 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 7 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 316 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 7 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 316 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

THE ABOVE TWO AREAS COMPRISE THE CB2 RETAIL PARCEL 1.

CB2 RETAIL PARCEL 2

LEVEL D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 41.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 140 FEET NORTHEASTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 292.25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 17 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 258 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 114 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 550.25 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 131 FEET TO THE POINT OF BEGINNING.

EACH OF THE ABOVE RETAIL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 363.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB3 A.R.E. PARCEL 1 (SAN FRANCISCO PAVILION)

LEVELS A & B

ALL THAT REAL PROPERTY, THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING TO INFINITY ABOVE. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF FOLSOM STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF FOLSOM STREET 67.987 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 213 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF FOLSOM STREET 118 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 74 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 176 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 18 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 128 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 270 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF CB3 A.R.E. PARCEL 4 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PORTION OF CB3 A.R.E. PARCEL 4

LEVEL B

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 51.0 FEET BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF FOLSOM STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF FOLSOM STREET AND ALONG THE NORTHEASTERLY PROLONGATION OF SAID LINE OF FOLSOM STREET 177.987 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 213 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF FOLSOM STREET 82 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 8 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 38 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 74 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 8 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

CB3 A.R.E. PARCEL 2 (CINEMA)

LEVEL A

ALL THAT REAL PROPERTY, THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING A HORIZONTAL PLANE AT ELEVATION 51.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF FOLSOM STREET AT A POINT DISTANT THEREON 67.987 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF FOLSOM STREET AND ALONG THE NORTHEASTERLY PROLONGATION OF SAID LINE AT FOLSOM STREET, A TOTAL DISTANCE OF 265 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 105 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 36 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 8 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 72 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 118 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 213 FEET TO THE POINT OF BEGINNING.

LEVEL B

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 51.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF FOLSOM STREET AT A POINT DISTANT THEREON 67.987 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF FOLSOM STREET AND ITS NORTHEASTERLY PROLONGATION 265 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 142 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 71 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 110 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 213 FEET TO THE POINT OF BEGINNING.

ALL OF THE REAL PROPERTY DESCRIBED ABOVE IN LEVEL A AND LEVEL B IS
COMMONLY KNOWN AS CB3 A.R.E. PARCEL 2 (CINEMA)

CB3 A.R.E. PARCEL 3 (IMAX THEATRE)

LEVELS A AND B

ALL THAT REAL PROPERTY, THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING TO INFINITY ABOVE. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY WITHIN A CIRCLE HAVING A RADIUS OF 60 FEET AND WHOSE RADIUS POINT IS DISTANT 133 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE TO THE NORTHEASTERLY LINE OF FOURTH STREET.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

CB3 RETAIL PARCEL 2

LEVELS A AND B

ALL THAT REAL PROPERTY, THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING TO INFINITY ABOVE. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY WITHIN A CIRCLE HAVING A RADIUS OF 60 FEET AND WHOSE RADIUS POINT IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET.

EXCEPTING THEREFROM THAT PORTION THEREOF WHICH LIES SOUTHEASTERLY OF A LINE WHICH PASSES THROUGH THE RADIUS POINT OF SAID CIRCLE, SAID LINE BEING PARALLEL TO THE NORTHWESTERLY LINE OF FOLSOM STREET

ALSO EXCEPTING THEREFROM THAT PORTION OF THE CB3 A.R.E. PARCEL 3 (IMAX THEATRE)

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 51.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY WITHIN A CIRCLE HAVING A RADIUS OF 53 FEET AND WHOSE RADIUS POINT IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET.

EXCEPTING THEREFROM THAT PORTION THEREOF WHICH LIES SOUTHEASTERLY OF A LINE WHICH PASSES THROUGH THE RADIUS POINT OF SAID CIRCLE, SAID LINE BEING PARALLEL TO THE NORTHWESTERLY LINE OF FOLSOM STREET.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

THE ABOVE DESCRIBED CB3 RETAIL PARCEL 2 BEING THE EXCEPTION TO THE CB3 A.R.E. PARCEL 3 (IMAX THEATRE)

CB3 A.R.E. PARCEL 4

LEVEL B

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 51.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF FOLSOM STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF FOLSOM STREET AND ITS NORTHEASTERLY PROLONGATION 177.987 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 142 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET 153 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 62 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 29.50 FEET TO THE BEGINNING OF A CURVE HAVING A RADIUS OF 145.00 FEET WHOSE RADIUS POINT IS LOCATED 305.50 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY AND EASTERLY ALONG SAID CURVE 143.02 FEET TO A POINT WHICH IS LOCATED 184.566 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 332.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY 32.566 FEET ALONG A LINE PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 155 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE A.R.E. PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 364

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB3 RETAIL PARCEL 1

LEVEL A

ALL THAT REAL PROPERTY THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING A HORIZONTAL PLANE AT ELEVATION 51.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF FOLSOM STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF FOLSOM STREET AND ITS NORTHEASTERLY PROLONGATION 332.987 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 105 FEET TO THE TRUE POINT OF BEGINNING; THENCE AT A RIGHT ANGLE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF FOLSOM STREET 155 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 36 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 36 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

CB3 RETAIL PARCEL 2

LEVELS A AND B

ALL THAT REAL PROPERTY, THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING TO INFINITY ABOVE. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY WITHIN A CIRCLE HAVING A RADIUS OF 60 FEET AND WHOSE RADIUS POINT IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET.

EXCEPTING THEREFROM THAT PORTION THEREOF WHICH LIES SOUTHEASTERLY OF A LINE WHICH PASSES THROUGH THE RADIUS POINT OF SAID CIRCLE, SAID LINE BEING PARALLEL TO THE NORTHWESTERLY LINE OF FOLSOM STREET

BEING A PORTION OF 100 VARA BLOCK NO. 364.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE CB3 A.R.E. PARCEL 3 (IMAX THEATRE)

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 51.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY WITHIN A CIRCLE HAVING A RADIUS OF 53 FEET AND WHOSE RADIUS POINT IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET.

EXCEPTING THEREFROM THAT PORTION THEREOF WHICH LIES SOUTHEASTERLY OF A LINE WHICH PASSES THROUGH THE RADIUS POINT OF SAID CIRCLE, SAID LINE BEING PARALLEL TO THE NORTHWESTERLY LINE OF FOLSOM STREET.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

EB2 OFFICE PARCEL 1

LEVELS A,B AND C

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF THIRD STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 206.25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.151 FEET TO THE NORTHWESTERLY LINE OF MINNA STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MINNA STREET 206.25 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 160.151 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 355.

EB2 OFFICE PARCEL 2 (IF OBTAINED BY THE S.F.R.A. FROM THE CITY OF SAN FRANCISCO)

LEVEL C

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 32.4 FEET BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MINNA STREET WITH THE NORTHEASTERLY LINE OF THIRD STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MINNA STREET 206.25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 34.75 FEET TO THE SOUTHEASTERLY LINE OF MINNA STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG THE SAID LINE OF MINNA STREET 206.25 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 34.75 FEET TO THE POINT OF BEGINNING.

BEING ~~THAT~~ PORTION OF AIRSPACE ABOVE MINNA STREET WHICH IS THE SUBJECT OF A PROPOSED VACATION.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

EB2 RESIDENTIAL PARCEL

LEVELS A, B AND C

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET AND THE NORTHWESTERLY LINE OF HOWARD STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF HOWARD STREET 160 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 140.25 FEET TO THE NORTHWESTERLY LINE OF HUNT STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF HUNT STREET 115 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 215.333 FEET TO THE SOUTHEASTERLY LINE OF MINNA STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF MINNA STREET 275 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF THIRD STREET 355.583 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 355.

LEGAL DESCRIPTION OF
DEVELOPER PARCELS
SEPTEMBER 17, 1984
(FINAL)

NOTE:

THOSE PORTIONS OF THE DEVELOPER PARCELS LOCATED WITHIN PRESENTLY EXISTING CITY STREETS ARE TO BE OBTAINED BY THE S.F.R.A. AS INDICATED ON THE PERIMETER PLOT PLAN WHICH IS ATTACHMENT NO. 2 TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND AS PROVIDED IN THE DISPOSITION AND DEVELOPMENT AGREEMENT.

